

Traffickers in Women Find a Rich Source in Slavic Lands

By Michael Specter
New York Times Service

RAMLE, Israel — Irina always assumed that her beauty would somehow rescue her from the poverty and hopelessness of village life. A few months ago, after answering a vague ad in a small Ukrainian newspaper, she slipped off a tour boat when it put in at Haifa, hoping to make a bundle dancing naked on the tops of tables. She was 21, self-assured and glad to be out of Ukraine. Israel offered a new world, and for a week or two everything seemed possible. Then, one morning, she was driven to a brothel, where her boss burned her passport before her eyes.

"I own you," she recalled his saying. "You are my property, and you will work until you earn your way out. Don't try to leave. You have no papers and you don't speak Hebrew. You will be arrested and deported. Then we will get you and bring you back."

It happens every single day. Not just in Israel, which has deported nearly 1,500 Russian and Ukrainian women like Irina in the last three years. But throughout the world, where selling naive and desperate young women into sexual bondage has become one of the fastest-growing criminal enterprises in the robust global economy.

The international bazaar for women is hardly new, of course. Asians have been its basic

commodity for decades. But economic hopelessness in the Slavic world has opened what experts call the most lucrative market of all to criminal gangs that have flourished since the fall of communism: East European women with little to sustain them but their dreams.

Pimps, law-enforcement officials and relief groups all agree that Ukrainian and Russian women are now the most valuable in the trade.

Because their immigration is often illegal — and because some percentage of the women choose to work as prostitutes — statistics are difficult to assess. But the United Nations estimates that 4 million people throughout the world are trafficked each year — forced through lies and coercion to work against their

will in many types of servitude. The International Organization for Migration has said that as many as 500,000 women a year are trafficked into Western Europe alone.

Many end up like Irina. Stunned and outraged by the sudden order to prostitute herself, she simply refused. She was beaten and raped before she succumbed. Finally she got a break. The brothel was raided, and she was brought here to Neve Tirtza in Ramle, the only women's prison in Israel. Now, like hundreds of Ukrainian and Russian women with no documents or obvious forgeries, she is waiting to be sent home.

"I don't think the man who ruined my life

See SEX SLAVERY, Page 7

IMF Reports Progress in Negotiations With Jakarta

Major Construction Projects Delayed as Gesture on Eve Of U.S. Delegation's Arrival

By Michael Richardson
International Herald Tribune

SINGAPORE — Negotiations to resolve Indonesia's financial crisis have started well, the International Monetary Fund said Sunday, following several hours of talks with a high-level Indonesian government panel and an announcement that President Suharto had ordered major construction projects valued at billions of dollars to be delayed or reviewed.

Emphasizing the urgency of its mission, the IMF team, led by First Deputy Managing Director Stanley Fischer, met key Indonesian cabinet ministers soon after arriving in Jakarta.

"It is starting fine. We are making progress," Mr. Fischer said after three hours of discussion

• Opposition leader urges Suharto to quit. Page 4. • Taiwanese business executives are on the prowl for bargains. Page 11.

on what he said was Indonesia's "entire reform program and how to move ahead with it."

He did not give details, but analysts said that the Suharto government still had to persuade the IMF, a U.S. government delegation that is to arrive Monday in Jakarta, as well as the markets that it was prepared to push ahead with politically painful steps to revive investment.

Failure to do so, the analysts said, would send the Indonesian currency and stocks into free fall again, and probably cause a default on huge foreign loans by heavily indebted Indonesian companies that would have serious repercussions on the fragile financial systems of two other IMF loan recipients — South Korea and Thailand — as well as Japan, the largest single creditor to Indonesia.

Mr. Suharto, whose continued rule has been called into question by the crisis, came under new pressure Sunday to accelerate reforms prior to the arrival of the U.S. delegation, headed by Deputy Treasury Secretary Lawrence Summers.

[Mr. Summers met for four hours Sunday night with officials from Singapore's Finance and Foreign Ministries, and with Senior Minister Lee Kuan Yew, on the first stop of his tour of Asia, Bloomberg News reported early Monday.]

"We are here on behalf of the president to consult with countries in the region on economic policy, and to urge that sound policies be taken that can promote confidence and stability," Mr. Summers said.

Prime Minister John Howard of Australia telephoned the Indonesian leader to urge him to proceed with IMF-approved measures, Indonesia's official Antara press agency reported.

In Tokyo, the European trade commissioner,

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Pro-Democracy Forces In China Get a New Voice

Ex-Official Says Essay Reflects a Wide (if Quiet) View

By Steven Mufson
Washington Post Service

BEIJING — Just two months after Wei Jingsheng, China's leading dissident, agreed to go into exile, another voice has joined China's small pro-democracy chorus. This time, however, it's a businessman and former middle-level government official who claims that his views have a substantial, though still anonymous, following in the Communist Party itself.

Fang Jie, a 44-year-old former deputy director of the planning commission of the coastal city of Fuzhou, has co-written and distributed an essay advocating elections for all levels of government including the presidency, freedom of the press and religion, relaxed oversight of social associations, an end to party control of the military, a reversal of the negative verdict on the 1989 Tiananmen Square demonstrations, negotiations with the Dalai Lama, a further opening of the economy to foreign companies and market competition, and a pro-American foreign policy.

Mr. Fang says that the essay — labeled "The Democratic Faction's Program Proposals" — is the culmination of a series of discussions with pro-democracy members of the Chinese Com-

munist Party, including Central Committee members, who were disappointed with the absence of political reform initiatives during the 15th party congress in September. He said it represented a synthesis of views, not just his own.

But in an indication of just how remote the proposed freedoms are from the current China, not a single one of those people other than Mr. Fang has been willing to add his or her name to the proposals because of the danger it would pose to their careers within the party and the government.

"On the surface Chinese society is calm, and within the party and government everyone conforms," Mr. Fang said in an interview in Beijing. "The deeper reality is that many of the young and middle-aged officials are deeply dissatisfied with the situation and flaws of policies in China."

Mr. Fang is the latest of a series of intellectuals to issue public calls for radical political reform in the last six months. Others have included an economics professor at Beijing University, a former government economist and a longtime dissident physicist.

See DISSENT, Page 4

Quake in China Leaves Thousands Homeless



A woman weeping Sunday in front of her destroyed house in Hebei Province. The earthquake killed at least 50 people and injured more than 11,000. Page 4.

Rich and Poor: Europe's Social Rifts Break Through in France

By John Vinocur
International Herald Tribune

PARIS — The occupation by unemployed workers of French job-service offices has exposed signs of unrest within a new underclass whose emergence has wide implications for the rest of Europe.

More than just a 1998 mutation of a classic labor dispute, the conflict involves the awakening of a marginalized segment of society that has begun to articulate a view of its isolation beyond what once were the adequate and protective walls of a modern European welfare state.

Throughout the dispute, which led Saturday to police intervention to clear the occupied employment centers, the protesters have referred to themselves less as job-seekers than as "the poor."

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revolving against their have-not status in a society of record stock market results, lavish Christmas bonuses and devastating unemployment.

Over the last two weeks of protest, traditional union representatives have been rejected as symbols of the status quo, and politicians from both

the left and the right scorned. Government promises of new funds, couched in statements that France has inadequate resources to meet all the demonstrators' cash demands, were brushed aside with the response that the time had come to seek the rich.

With France as a bellwether, the European conceit that its welfare states were decent and wealthy enough to provide adequate living standards and self-respect for everyone was under challenge through the government's acknowledgment that it could no longer afford to radically improve the lot of the unemployed and semijobless, and by the protesters' awareness

that they are a part of society no longer provided for by the old rules.

With variations, France, Germany and Britain shared similar circumstances. All faced the prospect of growth in 1998 at levels below original projections, partly as a result of the Asian crisis; and all had to operate in line with the budgetary strictures, limiting deficit spending, imposed by the Stability Pact of the European Monetary System. This meant that without new job creation, all three of Europe's leading countries would encounter exponential difficulties in re-

See HAVE-NOTS, Page 7

Cable-TV Chief Sets Up Deal to Tame Microsoft

By Geraldine Fabrikant
and John Markoff
New York Times Service

NEW YORK — John Malone, chairman of Tele-Communications Inc., believes he can succeed where both International Business Machines Corp. and the United States Department of Justice have so far failed.

In two deals announced at the Consumer Electronics Show in Las Vegas this weekend, Mr. Malone has unveiled a plan that is designed to rein in Microsoft Corp.'s power and fuel the dynamic economic growth that the cable industry has been seeking.

By using Sun Microsystems Inc.'s Java programming language as a counterweight to a consumer version of Microsoft's Windows operating system, Mr. Malone is attempting to relegate additional information via the Internet. Or while watching an advertisement, a viewer will be able to click a button and purchase the product on impulse.

Industry executives in Las Vegas this weekend said the cable-industry infighting reminded them of the early days of the personal computer industry. In 1981, IBM initially offered PC buyers three competing operating systems: Microsoft's MS-DOS, Digital Research Corp.'s CP/M, and UCSD Pascal.

Consumers quickly settled on the lowest-cost alternative: Microsoft's operating system was the least expensive option, and it quickly became the stan-

dard that attracted the broadest selection of software applications.

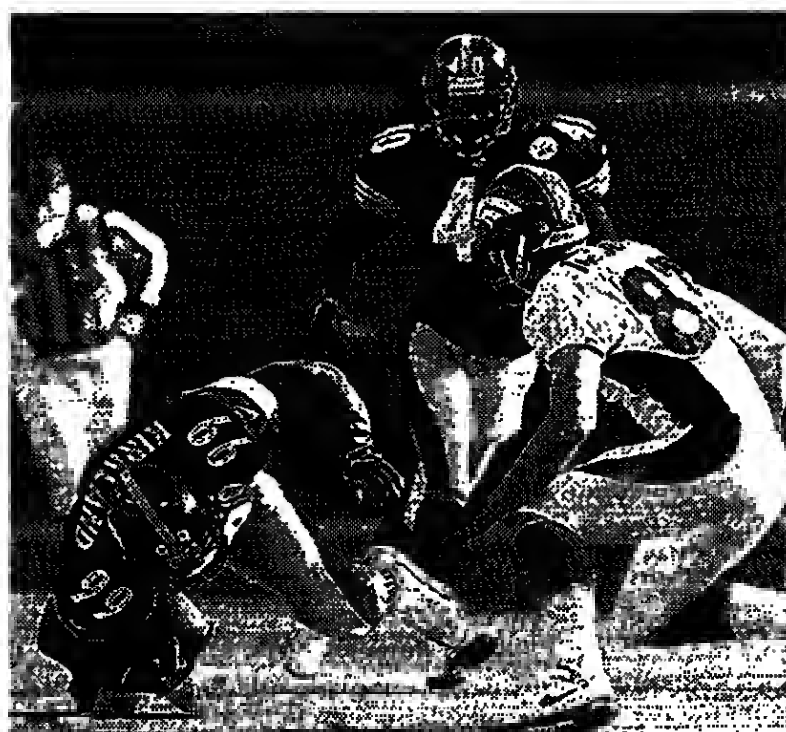
Despite his efforts to create a more competitive marketplace, Mr. Malone may have unintentionally repeated IBM's mistake this weekend.

"Think of this as a poker table where most of the chips say Windows, and William Gates is now holding them," said Richard Doherty, president of Envisioning Inc., an industry consulting firm based in Searcy, New York. In Mr. Malone's vision of the future interactive cable industry, the line between traditional television channels and personal computer software applications will rapidly be blurred.

For example, while watching the History Channel, a television viewer, theoretically, will next year be able to use a handheld clicker to select a character on the screen and call up a box with additional information via the Internet. Or while watching an advertisement, a viewer will be able to click a button and purchase the product on impulse.

See MICROSOFT, Page 13

AGENDA



TURNOVER — Levon Kirkland, No. 99, of the Steelers intercepting a pass Sunday. But the Broncos won the AFC Championship. Page 18.

Protestants Claim Killing in Ulster

The hard-line Loyalist Volunteer Force, a pro-British guerrilla group, took responsibility on Sunday for the killing of a Belfast nightclub doorman.

In a statement issued to the press, the group said the shooting was in direct response for the recent Maze prison murder of its leader, Billy Wright.

"The Loyalist Volunteer Force is not against peace, but not peace at any price," the statement said.

The dead man, Terence Enright, was a relative of Gerry Adams, the Republican leader. Page 4.

PAGE TWO

Taliban Runs Afoul of U.S. Feminism

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Washington Warns to Iran Proposal

Books Page 9.

Crossword Page 16.

Opinion Page 8.

Sports Pages 16-17.

The IHT online www.ihl.com

In Flurry of Activity, Clinton Aims to Fill Policy Void

By Peter Baker and John F. Harris
Washington Post Service

WASHINGTON — With a spurt of initiatives in recent days, President Bill Clinton has moved aggressively into the policy void in Washington hoping not only to reinvigorate his presidency, but also to repair his fractured relations with fellow Democrats and outflank Republicans heading into a mid-term election year.

The activist agenda Mr. Clinton has laid out for 1998 reaches out to multiple constituencies, from the early retirees who would be allowed to Medicare to the young parents who would receive more help with child care. Taken as a whole, his new domestic program begins to move away from the carryover issues of his first term and attempts to provide a sense of direction and purpose for his second.

Ranked by the criticism that he had slipped into a

malaise three years before leaving office, Mr. Clinton and his aides have transformed the agenda-setting State of the Union Message from a single prime-time speech into a month of rapid-fire announcements.

Each day, the president is pushing forward on some new front, whether it is toughening food inspection,

NEWS ANALYSIS

bolstering AIDS treatment, expanding the Peace Corps or promoting pension tax breaks.

Yet the strategy risks giving the impression of a return to big government, a danger Mr. Clinton tried to temper by again borrowing a Republican idea and vowing to balance the federal budget next year for the first time in three decades — three years earlier than envisioned in the congressional deal signed last summer.

Al From, president of the centrist Democratic Lead-

ership Council, said that what Mr. Clinton had done was "seize control of the debate." He added, "By moving on the balanced budget first, he created a context for every part of the debate. And that's important because we want to stand for activist government with fiscal restraint."

To the extent that is true, the president may have found a unifying formula for a divided party, something he has not provided since the early days of his administration in 1993.

Even as moderates like Mr. From hail the accelerated elimination of the deficit, liberals like Representative Dick Gephardt, the House minority leader, have embraced his approach as well, not only because it addresses favored social causes, but also because it sets up likely confrontations with the Republicans that can be taken into the campaign. Indeed, some in

See CLINTON, Page 3

Fresh Warnings That U.S. Risks Asian Backlash

By Michael Richardson
International Herald Tribune

SINGAPORE — Senior officials of the United States and the International Monetary Fund started crucial talks in East Asia on Sunday that they hope will help settle the region's financial crisis, but the harsh economic policies they advocate could trigger an anti-American backlash that will create dangerous instability in Asia, former U.S. officials and other analysts warned.

Many East Asian leaders, including those in the most seriously troubled economies — Indonesia, South Korea and Thailand — have expressed support for the higher interest rates and taxes, cuts in government spending and cleanup of the financial system that the IMF and the United States prescribe.

But there is increasing concern among Asian and Western critics of this reform and austerity program that its by-products — bank and company closures, large-scale layoffs, rising social and political unrest, and loss of national cohesion and self-confidence — could ignite virulent anti-Americanism.

Such a development would undermine support for a continued U.S. military presence in East Asia just when it is most urgently needed to buttress regional peace and security, analysts said.

"For now, Asians appear to blame their own governments, banks and businesses," said David Hitchcock, a former U.S. diplomat with extensive experience in East Asia. "But if the harsh measures only now sinking in lead to many more bankruptcies, business closings and layoffs, the blame could swing across the Pacific."

In a speech to the World Affairs Council in Seattle on Friday, former Secretary of State Henry Kissinger warned that an anti-American backlash could sweep Asia because of the stringent economic measures imposed by the Fund as a condition of its multibillion-

See BLAME, Page 4

Newstand Prices	
Atlanta	10.00 FF Lebanon 11.3,000
Australia	12.50 FF Morocco 18 Dh
Canada	1.800 CFA Qatar 10.00 CR
Egypt	12.50 FF Pakistan 12.50 FF
France	12.50 FF Saudi Arabia 10 SR
Gabon	10.00 FF Senegal 1,100 CFA
Germany	2,800 CFA Spain 225 Ptas
Ireland	1,250 CFA Tunisia 1,250 Dh
Italy	1,250 CFA U.A.E. 10.00 Dh
Jordan	700 Fils U.S. M.L. (Eur.) \$1.20

Afghans' Treatment of Women Leaks Into Pipeline Deal

But in the case of the trans-Afghan pipeline, it

But administration officials are open to working with the Taliban if the conditions are met, including the disarmament of opposition factions still controlling about a third of Afghanistan.

the gas. In November, Unocal began training Afghans to build the line. The Taleban stands to collect \$50 million to \$100 million a year in transit fees if the pipeline is built, according to Marry Miller, a Unocal vice president.

Unocal started a \$900,000 program at the University of Nebraska at Omaha to train 137 Afghan men in pipeline- and construction-related skills. The program managers hope to provide jobs for women for clerical jobs and support, said Thomas Goutierre, a senior research fellow at the university's Afghan studies center. The program is also financing several projects to improve the lives of teachers in Taliban-controlled areas. Unocal said it intends to provide jobs for women as well as men.

HEAD START ON SPRING — Balmy weekend weather persuaded some of Washington's famed cherry trees that spring had come.

MONDAY: Colombia, Sri Lanka, Tanzania, Turkmenistan.
TUESDAY: Puerto Rico, Togo.
WEDNESDAY: Sri Lanka.
THURSDAY: Japan, Malawi.
Sources: J.P. Morgan, Bloomberg

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THE AMERICAS

Independent Interest Groups Outspending the Candidates on Political Ads

By Richard L. Berke
New York Times Service

SANTA BARBARA, California — So many independent interest groups are poised to spend large sums on advertising to influence elections this year that Republicans and Democrats alike fear the candidates may find themselves playing bit parts in their own campaigns.

The first congressional campaign of 1998, here on the central California coast, offers a preview. Flip on the television or radio and it sounds in the advertising as if the contenders in a special election Tuesday want to talk about term limits or abortion.

But the candidates themselves insist in interviews that they would prefer to debate other issues, like education and taxes.

Instead, many commercials and direct-mail drives are being orchestrated by outside groups whose officials know nothing about Santa Barbara except what they might have seen in the defunct television soap opera bearing its name.

"Is this the future of campaigns?" asked Tom Bordonaro Jr., a Republican state assemblyman who is seeking the seat. "Pretty soon, all we're going to have to do is file and sit back and let all these independent expenditures run the show. It's going to be rolling the dice whether you get into office or not."

By paying for their own commercials rather than donating directly to a candidate, these groups find that they have more control over the campaign discourse. They can also skirt federal contribution limits and disclosure regulations by trying to help (or, more often, hurt) a candidate with their own advertisements.

Spending by these groups rivals candidates' own television budgets.

Their commercials frequently name candidates directly and are often difficult to distinguish from those written, produced and paid for by the campaigns.

Interest groups were instrumental in helping Republicans win back Congress in 1994, and they proliferated in the 1996 campaign. But political strategists, campaign finance experts and officials of the groups themselves said they expect this to be a pivotal year in which groups from both left and right transform politics by dominating races at all levels around the country.

Gary Bauer, a prominent conservative who last year set up an anti-abortion organization, the Campaign for Working Families, said the group was pumping \$100,000 into television commercials in the district this weekend to help Mr. Bordonaro. Mr. Bauer said the special election here was only a precursor.

"We intend in the months ahead to be in races all over," he said, adding that his efforts here have given the late-term abortion issue "a much higher profile than it would have had" in the race.

By dictating the agenda on the issues, these outside groups could bring about a nationalization of elections that have traditionally been fought at the local level. Rather than argue over matters of intense concern to local voters, these groups encourage a bitter partisan debate on issues that may be of greater consequence in Washington.

Political parties have also been spurred to mount their own independent campaigns in the wake of a U.S. Supreme Court ruling in 1996 that the federal government may not limit how much the parties spend to help candidates — unless the party and candidates are working together.

"Our sense is that both parties will engage in running issue ads at all different levels of the federal elections," said Dan Sallick, communications director of the Democratic Congressional Campaign Committee, which helps elect Democrats to the House.

"In 1998, people are much more familiar with the law and will make an effort to run ads that benefit the party through talking about the issues we care about most."

Yet Mr. Sallick said the campaign committee was so concerned about the spending by these groups that it was urging candidates to devote even more time raising money so they can compete.

"We counsel a lot of candidates to be more aggressive in their fund-raising efforts," he said. "We want them to have the opportunity to get their message out."

By bypassing candidates' campaigns, the outside groups can operate underground; it can be difficult to trace on whose behalf they operate and how they are financed.

"We're bound to see a substantial increase in expenditures for issue ads for a number of reasons, but the first is that they appear to work," said Larry Sabato, a government professor at the University of Virginia and an authority on interest group advertising.

"Secondly, there's no better way of bringing attention to an issue agenda. If these interest groups contributed the money directly to the candidate, then it's up to the candidate's consultants and managers to decide what issues to stress."

"And the third reason," Mr. Sabato continued, "is it's a trend. The internal energy builds on itself."

He also said he believed many groups had turned to issue advertisements out of concern that efforts to change the campaign finance system would further limit how much they could directly spend on candidates.

The issue commercials may pack a special punch in the special election here in the 22d Congressional District, because there are no other campaigns and, thus, no competition for media attention. The contest is to complete the term of Representative Walter Capps, a Democrat who died of a heart attack in October after just 10 months in office.

The election is essentially an open primary, where voters can cross party lines to make their choices.

Mr. Capps' widow, Lois, is seeking to replace him. The other major candidates are two Republicans, Mr. Bordonaro, the only staunch conservative in the race, and Brooks Firestone, a centrist and heir to a tire manufacturing fortune.

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By paying for their own commercials rather than donating directly to a candidate, these groups find that they have more control over the campaign discourse. They can also skirt federal contribution limits and disclosure regulations by trying to help (or, more often, hurt) a candidate with their own advertisements.

Spending by these groups rivals candidates' own television budgets.

Their commercials frequently name candidates directly and are often difficult to distinguish from those written, produced and paid for by the campaigns.

Interest groups were instrumental in helping Republicans win back Congress in 1994, and they proliferated in the 1996 campaign. But political strategists, campaign finance experts and officials of the groups themselves said they expect this to be a pivotal year in which groups from both left and right transform politics by dominating races at all levels around the country.

Gary Bauer, a prominent conservative who last year set up an anti-abortion organization, the Campaign for Working Families, said the group was pumping \$100,000 into television commercials in the district this weekend to help Mr. Bordonaro. Mr. Bauer said the special election here was only a precursor.

"We intend in the months ahead to be in races all over," he said, adding that his efforts here have given the late-term abortion issue "a much higher profile than it would have had" in the race.

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CLINTON: In Flurry of Activity, President Aims to Fill Policy Void

Continued from Page 1



CORRALES
COSTA RICAN ELECTIONS — Jose Miguel Corrales, presidential candidate of the National Liberation Party, addressing supporters at a rally as the country prepared for national elections Feb. 1.

the enemy camp see the Clinton announcements as nothing more than a revival of old-style liberalism for the purpose of mollifying a disgruntled party caucus and crafting an election platform.

"It's a political year and he's trying to find common ground with the House and Senate Democrats who are up for re-election," said Kenneth Duberstein, White House chief of staff in President Ronald Reagan's second term.

In some fashion, the past few weeks could be taken as the true start of Mr. Clinton's second term.

After his inauguration in January, 1997 turned out to be a backward-looking year for Mr. Clinton — on the defensive because of investigations into his 1996 campaign fund-raising activities and consumed with cleaning up old issues, most notably by resolving the balanced-budget battle that dominated his first term.

With Washington's interest in campaign improprieties subsiding, the deficit all but eradicated and his poll numbers as strong as ever, Mr. Clinton hopes to have a second chance to promote progressive policies and activist government.

"There are things he can do now that in the first term had to give way to the emphasis on deficit reduction," said Laura D'Andrea Tyson, chief economics adviser to Mr. Clinton's first term, who argues that his philosophy has been consistent even as the Washington environment has changed.

Michael Franc, of the Heritage Foundation, said the end of deficit politics has loosened the shackles that restrained Mr. Clinton's expansionist impulses in recent years. "We're seeing the result of the pent-up demand to have government be active again, or to be more active than it's been," he said.

White House officials have tried to head off criticism that the new-found activism amounts to a reversal of Mr. Clinton's declaration that the era of big government is over. The five-year, \$21.7 billion child-care program, for example, relies heavily on tax credits and block grants to states — favored tools of conservatives for enacting social change.

The Medicare expansion to early retirees as young as 62 and dislocated workers as young as 55 was designed to be cost-free by requiring those who opt in to pay their way. So sensitive to the matter are administration officials that they repeatedly emphasized the incremental nature of the Medicare plan.

Recognizing that the individual ideas may prove popular, as already measured by White House polling, Republicans are hoping the public will focus instead on the totality of Mr. Clinton's agenda as evidence of his addiction to government.

"Taken together, these ideas represent a return to big government," said Ari Fleischer, Republican spokesman for the House Ways and Means Committee. "He set both parties up for a very fair fight over the proper role and size of government."

That is fine with the Democrats, many of whom have been spoiling for a fight. House leaders in particular have complained that Mr. Clinton, in his eagerness to split the difference with Republicans and pass compromise legislation, has helped himself but hurt them by leaving them little to run on.

That debate over strategy was the focus of a pre-Christmas meeting in the Oval Office that included Mr. Clinton, Mr. Gephardt, Vice President Al Gore, Tom Daschle, the Senate minority leader, and Erskine Bowles, White House chief of staff.

With their eye on finding a way to recapture the House (the Senate appears out of reach to White House aides), the hour-long session concentrated on how much emphasis to put on scoring policy achievements versus defining issues that can be used against Republicans in the campaign.

Mr. Clinton agreed at the meeting that the Democrats need to find some larger battles to wage, but cautioned

that that approach would backfire if taken so far that his popularity suffered, officials said later.

He also said he has looked at history and concluded that the best way to counter the "six-year itch" — in which voters punish a second-term president's party in Congress — is to keep his approval ratings high, which means finding areas where he can strike deals with Republicans.

Still, what Mr. Gephardt reported back to colleagues pleased many because they believe Newt Gingrich, the House speaker, and his fellow Republicans will probably resist Mr. Clinton's Medicare and child-care plans, providing what they hope will be potent issues.

As they rolled out their domestic program piece by piece in recent days, White House officials acknowledged that they wanted to dispel the perception that the president was out of ideas. With Congress away on an unusually long break, Mr. Clinton's aides calculated they would have the field to themselves and that absent Republicans would be poorly positioned to respond.

Indeed, they have made so much of the president's agenda public that some aides privately moan they have nothing much left to present in the State of the Union speech to be delivered Jan. 27.

Last Wednesday night, Mr. Clinton convened more than a dozen scholars and authors at the White House for a marathon discussion.

Much of the four-hour philosophical discussion, according to participants, centered on the role of government in the post-balanced budget age, globalization of the world economy and the president's initiative to promote racial reconciliation.

Benjamin R. Barber, a political scientist at Rutgers, said he came away convinced that Mr. Clinton was as engaged as ever.

POLITICAL NOTES

Gore to Begin Raising Funds

WASHINGTON — With one eye on the 1998 congressional elections and another on his ambitions to become president, Vice President Al Gore is preparing to form a political action committee to funnel money to Democratic candidates running for office in November.

Most of the money raised will go to Democratic candidates running this year, which in turn will help the vice president build support for his anticipated presidential campaign in 2000. But the move will draw attention to the issue that plagued him last year: He drew intense criticism for making fund-raising calls from the White House in 1996 and for attending a controversial fund-raising event at a Buddhist temple in California. (WP)

Moratorium on Logging Roads

WASHINGTON — The Clinton administration plans to suspend construction of logging roads in the back country of most national forests, a step that would effectively stop logging on some of the most pristine public land.

Road building on millions of acres of forests could be affected, mostly in the Western states. Many of these areas contain virgin stands of timber, prime wildlife habitat and pristine streams.

Although some environmental advocates do not think the plan goes far enough, the proposal represents an opportunity for Vice President Gore to enhance his standing in one of his core constituencies. (NYT)

Ferraro Set to Work the Phones

NEW YORK — Geraldine Ferraro announced that she would enter New York's U.S. Senate race in a brief, exuberant tour across the state last week. But for the next few months she will have to spend hours a day, phone in hand, appealing for campaign contributions from wealthy people, many of whom she has never met.

She has little choice. In an era when Senate candidates start raising money years before their elections, Mrs. Ferraro is beginning just eight months before the Democratic primary. Her campaign account is practically empty.

One of her Democratic opponents, Representative Charles Schumer, has more than \$8 million. The other, Mark Green, the New York City public advocate, has nearly \$1 million. The incumbent Republican, Alfonse D'Amato, has more than \$9 million.

Mrs. Ferraro was the first woman ever nominated by a major party to run for vice president, in 1984, when she was Walter Mondale's running mate. (NYT)

Quote/Unquote

Mrs. Ferraro, who expects to spend six to eight hours a day on fund-raising: "It's an awful thing. The terrible thing is getting on there and saying, 'Please give me money.' Ugh! I dread doing it. But I will do it, and I will raise it, and we will have a sufficient amount of money to run this campaign." (NYT)

AMERICAN TOPICS

'Caged Bird' Is Silenced In Maryland Classrooms

In Maryland, two public school superintendents have removed books by prominent black authors from high school English classes at the urging of some parents who called the works "anti-white."

Maya Angelou's autobiographical "I Know Why the Caged Bird Sings" was removed from the ninth-grade English curriculum in Anne Arundel County, although it will still be taught in the 11th grade, The Washington Post reports. In St. Mary's County, Toni Morrison's "Song of Solomon" was dropped. Both superintendents overruled faculty committee recommendations and sided with small groups of parents.

Both the Angelou and the Morrison books are widely considered modern classics of African-American literature. Ms. Angelou's book, a searing look at her childhood in segregated Arkansas,

is a staple in English classes across the country.

Sue Crandall, the parent who sparked the protest against the Angelou autobiography, called the removal a victory for common sense. Mrs. Crandall, who is white, said "Caged Bird" is sexually explicit. Moreover, she said, Ms. Angelou "portrays white people as being hostile, nasty, stupid people."

Ms. Angelou could not be reached for comment and Ms. Morrison declined to comment. But the decision brought angry protests from students, teachers and others. "The decision was bigoted," said Evelyn Holland, 65, a retired nurse who is black. "Song of Solomon" put a human face on African Americans," she said. "and that makes people nervous."

Short Takes

Lawyers for the mayor of Philadelphia have prepared an extraordinary lawsuit contending that the nation's gun industry has created a public nuisance by saturating the city with firearms. The suit, if Mayor Ed Rendell goes ahead with it, would demand that gun makers reimburse the city for costs stemming from guns, ranging from homicide-unit overtime to the cost of washing blood off streets, reports The Philadelphia Inquirer.

Unlike other cities, Philadelphia has seen a rise

in gun use. Of its 420 homicide victims in 1996, 80 percent were shot to death, the highest proportion in any U.S. city.

The idea of a suit mirrors an approach taken by a group of state attorneys general who negotiated a groundbreaking settlement last year with the tobacco industry. It apparently would be a first against the firearms trade. Manufacturers, however, insist that their product is lawful, and that they bear no fault if guns are misused.

Fewer golden eagles flew across the Grand Canyon this fall than in any year on record, a trend worrying to environmentalists and which has ramifications for livestock owners. Only 26 of the eagles were among the 7,000 birds of prey counted by a nonprofit group called HawkWatch International, reports The Arizona Republic; the numbers were also down in 10 other states. The eagles eat rabbits, which, like cattle and sheep, consume native grasses. But those grasses are being replaced by cheatgrass, a Russian plant imported in the last century to stop erosion. Cheatgrass, which has steadily spread, grows quickly in the spring but dies out in warmer months, leaving no nutrition for wildlife or livestock. Government officials, livestock owners and environmentalists are seeking a solution.

Brian Knowlton

Away From Politics

- A man who poured hot coffee on a flight attendant after he and a companion were denied an upgrade to first class on a flight from Houston to Los Angeles pleaded guilty in Los Angeles to interfering with a flight crew. Thomas Kasper, 36, will go on trial next week on a charge of disrupting the flight. He allegedly tried to kick open the cockpit door during landing. He could face up to life in prison. (Reuters)
- Paula Jones has nearly tripled to \$2 million the amount she wants to settle a sexual harassment lawsuit against President Bill Clinton and is insisting on an apology from the president, CBS News reported, citing unidentified sources.
- The space probe Lunar Prospector successfully ex-

- ecuted the first of three engine bursts needed to put it in orbit around the moon, NASA officials said. (Reuters)
- A California woman who has become a rallying point for a growing "fat acceptance" movement was convicted of misdemeanor child abuse in the death of her 680-pound, 13-year-old daughter whose heart failed because of obesity. (WP)
- After hearing from a judge that he faced a possible

prison sentence of 10 years if convicted, a man accused of running a nationwide scheme to sell answers to graduate school exams left court in New York City and later was arrested trying to cross the border into Canada. (NYT)

• An airplane veered off the runway during takeoff at San Francisco International Airport, blowing an engine and a tire and coming to rest in a field of mud. No one was hurt on the flight by the Costa Rican carrier Laca. (AP)

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For summaries of the surveys from which these facts are taken, please call, in Europe, James McLeod on (33) 1 41 43 93 81 in Asia, Andrew Thomas on (65) 223 6478; in the Americas, Richard Lynch on (212) 752 3890.

THE WORLD'S DAILY NEWSPAPER

ASIA/PACIFIC

Suharto Urged to Quit By Opposition Leader

Mrs. Megawati Says She Is Ready to Govern

By Seth Mydans
New York Times Service

BANGKOK — Indonesia's leading opposition figure, Megawati Sukarnoputri, has called on President Suharto to step down when his term ends in March and told a cheering crowd that she is ready to succeed him.

Her declaration Saturday were made during a period of growing public demands for an end to Mr. Suharto's 32-year rule as the country's economy swirls in crisis. A crash in the currency Thursday touched off a wave of panic buying.

"I hereby take this opportunity to declare my determination to become the leader of our nation and people — if this is indeed the will and consensus of the people," she told about 500 supporters in the garden of her home outside Jakarta.

But the possibilities for Mrs. Megawati to assume power are limited, and her speech seemed to involve protest as much as politics. In March, Mr. Suharto is expected to be reappointed by a largely handpicked assembly.

Over the last two years, Mrs. Megawati — the daughter of Indonesia's founding father, Sukarno — has become the symbol of dissatisfaction with Mr. Suharto and the focus of the nation's suppressed grievances.

But this was the first time she had put herself forward as a candidate to succeed him in a country where open challenges to Mr. Suharto are not tolerated. Suppression of her growing popularity 18 months ago led to the worst rioting in Jakarta in decades.

Mrs. Megawati is not legally the leader of a political party and is therefore not

eligible to be chosen by the assembly, and it was not clear how she could succeed Mr. Suharto. Nor was it clear how seriously she intended to push forward with her declaration of readiness to lead the nation.

If Mr. Suharto were to step aside, his successor would more likely come from within his government's powerful structure, including the politically influential military.

No Succession Scenario

Keith B. Richburg of The Washington Post reported:

In three decades in power, Mr. Suharto, 76, has reversed Indonesia's economic decline, unifying the country's 300-plus ethnic groups and raising per-capita income from \$55 to \$900. He has won plaudits from other countries and from the World Bank for easing poverty.

To reconstruct his country, Mr. Suharto relied primarily on Indonesia's ethnic Chinese business elite who, although they make up just 3 percent of the population, control the vast majority of its wealth as well as have access to overseas Chinese capital in Hong Kong, Taiwan, Singapore, Thailand and Malaysia.

Among those who benefited from the subsequent boom were Mr. Suharto's six children, all millionaires, whose enterprises range from cars, petrochemicals and toll roads to banks, airlines, taxicabs and telecommunications.

Now with Indonesia's economy in a tailspin — its foreign debt mounting and bankruptcies, unemployment and inflation all set to rise — many Indonesians are asking whether Mr. Suharto has lost his political touch.



Mrs. Megawati calling on Mr. Suharto to retire, in her favor, in March.

"The old man," as he is commonly called, is the world's longest serving leader after Fidel Castro. Never much of a public speaker, the enigmatic Mr. Suharto increasingly is described as aloof, ailing, out of touch, unable to grasp the severity of the crisis and surrounded by close family members and friends whose advice mainly serves to protect their own business interests.

Since independence, Indonesians have experienced only one change of leadership, in 1965, and many now fear a repeat: a chaotic, prolonged and bloody power struggle, with the armed forces as the central player.

Mr. Suharto, a traditional Asian autocrat who tolerates no dissent, has never groomed a successor and has concentrated power so much in his own hands that few can imagine any scenario without him.

"That's one of the troubling things about Indonesia — the complete absence of any credible succession scenarios," said a Western diplomat based in Jakarta.

In addition to Mrs. Megawati, a small group of retired military officers, a former cabinet minister and a leading political scientist and commentator have made unusual public statements urging Mr. Suharto not to seek another term.

Although he has made no statement about his intentions, an Indonesian newspaper quoted his half-brother, Probosutedjo, on Saturday as saying that the president would retire once a suitable successor was found.

"I am sure he has no intention of remaining the national leader forever," the newspaper, Kompas, quoted Mr. Probosutedjo as saying.

But many academics, diplomats and longtime Indonesia-watchers question whether Mr. Suharto has any intention of stepping aside. Some say that quitting is simply not the old general's style, that he would prefer to die in office.

Others say that even if he wanted to quit, he would find resistance among his family members and cronies who would stand to lose their lucrative monopolies and their vast fortunes.

Tens of Thousands Left Homeless in China Quake

Compiled by Our Staff From Dispatches

NANTAN, China — The government Sunday rushed tents, medicine, food and clothing to villages flattened by a powerful earthquake in the north that killed at least 50 people and left tens of thousands homeless in the bitter winter cold.

Xinhua, the state-run news agency, put the number of people injured Saturday at 11,439, with 1,252 of those seriously hurt.

The earthquake, measuring 6.2 on the open-ended Richter scale, struck between Zhangbei and Shangyi on the border of Hebei and Nei Monggol provinces, leaving more than 44,000 people homeless and shaking buildings 250 kilometers (150 miles) to the south in Beijing, Xinhua said. Shangyi lies north of the patchwork of fortifications that form the Great Wall of China.

The quake toppled tens of thousands of buildings across two counties in the Yan mountains.

In Nantan, one of scores of villages affected, farmers terrified that their damaged earth-and-brick homes would collapse spent the night huddled under hastily erected lean-tos.

"We had no choice but to sleep outside. If there's another quake, my house could fall down," said a farmer whose family of six slept in their garden without a fire or stove in below-freezing temperatures.

Nighttime temperatures plunged to minus 20 degrees centigrade (minus 4 degrees Fahrenheit), Xinhua said. The state-run China Youth Daily quoted a local official as saying that frostbite and colds were expected. "We need a lot of tents," he added.

Throughout Sunday, convoys of trucks, vans and buses carried relief supplies to the stricken area. Aid delivered on its way included 1,200 tents, 21,085 overcoats and quilts, food and medicine.

Xinhua said. Military units in Beijing sent four helicopters to airlift 30 tons of food to the area, state-run television reported.

At one hospital in Zhangbei, near the epicenter, injured people lay motionless in beds or sat huddled up to drips in corridors. A doctor at the hospital, which took in 102 patients, said people were squashed by falling debris, burned by fires triggered by the quake and scalded by stoves. The quake struck at 11:50 A.M. (0350 GMT), when many people were indoors preparing lunch.

Aftershocks — more than 200 as of Sunday evening — also rattled the area, with the strongest reaching magnitude 4.6, the State Seismological Bureau said. It predicted that there would be no more major quakes and that Beijing would not be affected.

China suffered its worst earthquake in modern history in 1976. Measuring 7.8 on the Richter scale, it leveled the northern city of Tangshan, killing at least 240,000 people. (AP, WPA)

BRIEFLY

Hun Sen Sets Out Cease-Fire Terms

PHNOM PENH — The Cambodian leader Hun Sen laid down official terms Sunday for a cease-fire between Phnom Penh's forces and those supporting his deposed co-prime minister, Prince Norodom Ranariddh.

The three conditions were contained in a statement issued last Tuesday by the powerful second prime minister's cabinet. They were that the prince withdraw orders to his troops to fight, nullify appointments he made setting up the resistance army and sever relations with the Khmer Rouge.

Mr. Hun Sen also offered Sunday that soldiers enlisted in the army who are fighting for the resistance would be allowed to return to their former positions with no loss of rank, salary or benefits, and receive back pay.

The prince reportedly said Saturday that he was prepared to order his troops to stop fighting if Mr. Hun Sen simultaneously issued the same orders.

Sam Rainsy, an ally of Prince Ranariddh, said the prince supported such a move, which "should naturally and immediately lead to the opening of peace talks between the two factions." (APF)

Gandhi's Widow Stumps for Party

SRIPERUMBUDUR, India — The widow of former Prime Minister Rajiv Gandhi denied here Sunday that she hoped to become prime minister as she began campaigning for the first time for the Congress (I) Party, to which he husband belonged.

Sonia Gandhi, 51, surrounded by hundreds of security commandos at the site where Rajiv Gandhi was assassinated in 1991, told 20,000 supporters she did not want to become prime minister.

General elections are due to be held between Feb. 16 and March 7 after the collapse of a coalition government in November. (APF)

Floods Devastate Queensland Town

BRISBANE, Australia — As many as 20 people were reported missing and hundreds of homes were flooded Sunday after torrential rain devastated a city in the state of Queensland, prompting the government to declare a state of emergency.

More than 55 centimeters of rain fell in 24 hours in the worst-hit area of Townsville in northeastern Australia, with an additional 10 centimeters forecast overnight. The rain that fell in one day is equivalent to half of the city's average annual rainfall. (APF)

Self-Help for Thais

BANGKOK — The Thai Army has joined the battle against the country's economic crisis, organizing a festival in downtown Bangkok to encourage people to contribute to government coffers.

As many as 8,000 people turned out early Sunday for the biggest mass event so far in support of the Thai-Help-Thai campaign, established last month by a Buddhist monk worried about the country's financial woes.

People are being asked to give what they can to the Treasury, and trade in hard currency for Thai baht to increase the official foreign reserves. (AP)

For the Record

Thousands of Asians are lodging bogus applications for refugee status in order to work in Australia, the government said Sunday. (APF)

Four people were hurt in a bomb blast near the U.S. Consulate in Madras, India, on Saturday, the police said. (Reuters)

DISSENT: Pro-Democracy Voice in China

Continued from Page 1

Mr. Fang is the only one who claims to have taken part in wider discussions with government officials and Communist Party members. He says that a couple of hundred party members and government officials, most of them at "upper-middle" levels, have participated in informal discussions over a period of time.

Mr. Fang said he was not a party member, having turned down invitations to join. A native of Beijing, he spent four years in the Shaanxi Province countryside planting crops during the Cultural Revolution before returning to Beijing and graduating from Beijing University with a degree in economics. He has worked for the Chinese Academy of Social Sciences, the Research Institute of Political Science, and the Fuzhou municipal government.

In 1995, he went into business with the support of former colleagues in government. He said he left government in part because he sought a more independent status from which to express his views and the views of what he called a "democratic group."

Mr. Fang's decision to talk openly about the essay, which was written Nov. 20, comes less than two months before the start of the National People's Congress, where some analysts expect a struggle between relatively liberal delegates protected by the congress' outgoing chairman, Qiao Shi, and Prime Minister Li Peng, who will step down from his current post and replace Mr. Qiao as head of the congress.

Mr. Fang, however, says that nothing unusual will emerge from the congress and adds that the first opportunity for significant democratic reforms could still be two years or more away. There have been some indications that the Chinese government intends to expand the current "experiment" with rural elections to county level governments, but thousands of senior government posts are still controlled by the top officials of the Communist Party.

Mr. Fang, who runs a trading company that deals mostly in office supplies, said that the effort to outline an alternative platform grew out of disappointment with

the continued dominance of the Communist Party by people over the age of 70, as well as the failure of the party to undertake political or democratic reforms. The party, which holds its congresses every five years, had failed to adapt to changes since the end of the Cold War.

"The third generation of leadership in China," Mr. Fang said, borrowing the party's phrase for President Jiang Zemin and his fellow leaders, "is lagging behind the world and history."

The nine-page platform of proposals says "the key to China becoming a modern country is to take first steps toward democracy."

The group advocated the separation of the Communist Party from township and county governments and "then gradually, but not slowly, push the separation of party and government to higher levels of government and eventually to the entire system of government."

This proposal resembles one put forward at the Communist Party congress in 1987, although the idea was dropped soon after that party meeting and was not raised at the party meetings in 1992 or 1997.

On the economy, the document calls for an end to subsidies to state-owned enterprises and an end to monopolies for state-owned enterprises in certain areas. It suggests giving equal treatment to foreign investors and domestic ones, allowing foreign capital access to service sectors, ending conditions that force foreign firms to transfer technology, drop protectionist rules, and stop the "unfair practice of selecting foreign cooperation partners on the basis of political standards or other oneeconomic factors."

The essay also advocates freedom of expression and the recognition that "all viable theories must accept equal intellectual competition."

The platform also endorses a flexible approach to dealing with Hong Kong, Tibet and Taiwan. It suggests wide autonomy, though not full independence, for Tibet. It says that diplomatic and military affairs should remain in Beijing's hands.

It also says China should improve its relations with Japan and the United States.

"In revising its foreign policy," it says, "China should make a fundamen-

22 Shiite Muslims Killed in Pakistan

Reuters

LAHORE, Pakistan — Gunmen killed at least 22 Shiite Muslims and wounded 51 others at a religious service here Sunday in what Prime Minister Mian Nawaz Sharif said could have been an act by "foreign hands."

The killings occurred at a morning service in an old cemetery in central Lahore, capital of the central province of Punjab and home city of Mr. Sharif. Officials said it was the deadliest such attack in recent months in Punjab, which has been plagued by fighting between militant Shiites and the majority Sunnis.

State television quoted the prime minister as denouncing the incident and saying, "The involvement of foreign hands cannot be ruled out."

He did not specify which foreigners could have been involved, but Pakistani officials have often accused neighboring India of sponsoring terrorism in Pakistan to avenge its support for Muslim militants fighting Indian rule in the Kashmir region.

No one immediately claimed responsibility for the attack. But Tanvir Hussain, a local Shiite leader, blamed Sunni militants. No comment from the Sunnis was available.

The Mominpura cemetery, where the attack took place, had only one entrance, and there was no escape route for the Shiites who had been there for prayers for the dead.

Quoting Shiite witnesses, Mr. Hussain said three men with assault rifles shot at about 150 people assembled at the graveyard for three to four minutes before fleeing.

choice: should China stand on the side of the ranks of world freedom and democracy, which represent the direction and mainstream of our time, or should it stand on the opposite side?"

BLAME: Backlash Against U.S. Is Feared

Continued from Page 1

dollar bailout loans to Indonesia, South Korea and Thailand.

"I think the IMF cure would have been very good if it was applied three years ago," Mr. Kissinger said. "But we have to be careful the economic realities don't lead to a wave of nationalism and eventually anti-Americanism in which the cure is worse than the disease."

Mr. Kissinger said that the danger was particularly acute in South Korea, where "very virulent" nationalism formed a strong undercurrent. "We have to be careful that we are not using this opportunity to recolonize Korea," he said. "I am not saying we are doing this, but it could be perceived that way."

Arriving in Malaysia on Sunday at the start of an East Asian tour, the U.S. defense secretary, William Cohen, gave an assurance that America would be a steady ally "in good times and bad," but he stressed that reforms were needed to end the region's economic crisis. Reuters reported from Kuala Lumpur.

The tour will also take Mr. Cohen to Indonesia, Singapore, Thailand, China, Japan and South Korea for security talks. The large U.S. military presence in the region is based mainly in Japan and South Korea.

Mr. Hitchcock, co-chairman of the Center for Strategic and International Studies in Washington, said that Asians are worried that their economies are "slipping out of their control and into the hands of London, Washington and Wall Street."

"Some wonder out loud if behind the IMF, the United States is not really calling the shots," he said.

Reflecting that view, the prime minister of Malaysia, Mahathir bin Mohamad, said recently that his government would not turn to the IMF for financial support because "we would not able to control our economy and would throw it open to foreign domination," by allowing overseas interests free access to "come in and buy our banks and companies at cheap prices."

The People's Daily said recently that a major geopolitical shift was taking place between the United States and Asian countries. Allies in the Cold War, East

Asian nations now pose an economic threat to the world's sole remaining superpower, the newspaper said.

"The United States is certainly not offering a new Marshall Plan to East Asia," it said. "By giving help, it is forcing East Asia into submission, promoting the U.S. economic and political model and easing East Asia's threat to the U.S. economy."

The People's Daily said that the United States was promoting the authority of the IMF — to which it is the largest single contributor — in the East Asian crisis to advance its own strategic interests.

The deputy prime minister of Thailand, Supachai Panitchpakdi, recently criticized the United States for not contributing directly to the IMF's \$17-billion loan package for Thailand — a criticism that The Nation, the second largest English-language daily in Bangkok, said reflected to "strong resentment" felt by Thais in general.

Still, some East Asian leaders appear confident the region's economic hardships will not result in lasting damage to relations with the United States.

"At the end of the day, Americans know that our interests are linked up with theirs," said Lee Kuan Yew, Singapore's senior minister, in an interview with the Taiwan newspaper China Times that appeared last week.

"We need a strong America to provide stability. We give them access to our bases — which is not unimportant for the maintenance of stability, not just in the region, but also in Gulf where the oil is. So, behind the froth are deep strategic common interests."

But Paul Dibb, a former senior Australian defense official who now heads the Strategic and Defense Studies Center at the Australian National University in Canberra, said that economic turmoil in Asia would test American commitment to the region as East Asian countries sought to export their way out of difficulty.

"Almost certainly, the much cheaper cost of Asian imports into the United States will produce another wave of isolationist calls from the U.S. Congress for additional protection," he said.

Revenge Killing in Ulster

Protestant Unit Shoots a Relative of Adams

Compiled by Our Staff From Dispatches

BELFAST — The hard-line Loyalist Volunteer Force, a pro-British guerrilla group, took responsibility Sunday for the killing of a Belfast nightclub doorman.

In a statement issued to the press, the group said the shooting was in direct response for the recent murder in the Maze prison of its leader, Billy Wright.

"The Loyalist Volunteer Force is not against peace, but not peace at any price," the statement said.

The police said earlier that Terence Enwright, 28, was killed during the night when gunmen opened fire on staff at the entrance to a nightclub in the capital of British-ruled Northern Ireland.

Mr. Enwright was a Catholic community worker married to the niece of Gerry Adams, leader of the Irish Republican Army's political wing, Sinn Fein.

He was the third Roman Catholic to be killed in retaliation for Mr. Wright's killing by an IRA splinter group two days after Christmas.

The Loyalist Volunteer Force is fiercely committed to continued British government in Northern Ireland and has rejected the peace process there. Talks on the future of the province

were due to resume Monday.

Mr. Adams' comforted his niece, Deirdre Enwright, and her two young children at their home in Catholic west Belfast.

Mr. Adams, shot five times by Protestant extremists in 1984, made no immediate comment. But his press aide, Richard McAuley, said that few people would have known of the Enwright-Adams connection and that the gunmen appeared to have shot at all the nightclub's bouncers, who were all Catholic.

The attackers' car was later found burned in Protestant east Belfast.

David Ervine, who leads the Progressive Unionist Party, represents the outlawed Ulster Volunteer Force and spent eight years in prison after being caught with explosives, has argued that nobody should resume their campaign of terror against the north's Catholic minority. Many grass-root members think that the negotiations are weighted in favor of Sinn Fein.

Prime Tony Blair, who is visiting Tokyo, said in a BBC interview that Britain must not allow dissidents behind the upsurge in violence to dictate the pace of peacemaking efforts.

Aged Bug Is Said To Bug Papal Visit

Compiled by Our Staff From Dispatches

MADRID — The Vatican threatened to reconsider Pope John Paul II's visit to Cuba after a buging device was discovered in a parish house where he is scheduled to stay, a Spanish newspaper reported.

Vatican aides found the hidden microphone in October as they prepared for the Pope's visit on Jan. 21-23, El Pais quoted unidentified Vatican officials as saying. Joaquin Navarro-Valls, the Vatican spokesman, refused to comment on the report.

Cuban officials, the paper said, admitted that the microphone might have been in the house, but said it must have dated to the dictatorship of Fulgencio Batista, who was overthrown by Fidel Castro in 1959.

Experts who examined the microphone said that although it was an unsophisticated device, they did not believe it was that old, El Pais reported.

"We cannot get into a situation where, if people are committing murders, then that means somehow you damage the underlying process itself," Mr. Blair said. (Reuters, AP)

WHO to Elect New Director

2 Women Lead 7 Candidates Seeking Top UN Health Post

By Barbara Crossette

New York Times Service

UNITED NATIONS, New York — In the most important election in the UN system since the choice of a new secretary-general in 1994, the World Health Organization will replace its director-general later this month. The campaign has been intense, with seven candidates in the running.

Among the candidates competing to lead it are a former prime minister of Norway, Gro Harlem Brundtland, and the head of the UN Population Fund, Nafis Sadik of Pakistan. Both are physicians by training, as are the other candidates.

Mrs. Brundtland, who studied public health at Harvard University before entering politics, is thought to be the favorite of the United States, although officials in Washington are not making any endorsements. U.S. popularity is generally at an ebb at the United Nations, and Washington is not currently a member of WHO's 32-member board, which elects its leader to a five-year term.

Washington has been very critical of the departing director-general, Hiroshi Nakajima of Japan, whose election it twice tried to block. Mr. Nakajima, director-general for 10 years, has been under constant fire for his personnel

policies and his setting of priorities in health programs.

Recently, Congress has also focused on the organization's budget, demanding cuts and greater efficiency. The organization is based in Geneva, with regional branches around the world.

American officials lobbied the Japanese to withdraw their support from Mr. Nakajima. In April, Mr. Nakajima announced that he would not seek another term.

Mrs. Brundtland's toughest competitor is Mrs. Sadik, who has many supporters in the United States and Europe as well as in the developing world. She has been seen as a hard-working director of UN family-planning efforts and the driving force behind the groundbreaking international conference on population held in Cairo in 1994.

Other candidates are George Alleyne, a doctor from Barbados who is now director of the Pan American Health Organization in Washington; Fernando Azeiteiro of Brazil, a deputy director of the organization; Ebrahim Malick Samba, a Gambian and the organization's regional director for Africa; Uton Mchatar Rafai, an Indonesian who heads the organization's regional office for Southeast Asia; and Arif Batayneh, former minister of health in Jordan.

EUROPE

Jospin Evicts Jobless Protesters in France

By Craig R. Whitney
New York Times Service

PARIS — A day after promising emergency funds for the worst hit of France's 3.1 million unemployed workers, the French prime minister ordered the police to eject jobless protesters from public offices they had occupied since last month to press demands for higher benefits.

Riot police swooped down Saturday on more than 20 welfare and labor offices across the country and carried out protesters who had been in some of them since Dec. 15.

"I said yesterday was a significant step forward," said Charles Hoarau, one of the leaders of the protest movement in Marseilles. "I was had."

The police moved into the eight occupied offices in and around the Mediterranean port the day after Li-

onel Jospin, the Socialist prime minister, said the government would make 1 billion francs (\$165 million) available for the worst-off of jobless workers, more than a million of whom have been unemployed for more than a year.

The mix of conciliation and firmness took the government's Communist and Green coalition partners by surprise and probably ended the honeymoon Mr. Jospin has enjoyed with public opinion since his election June 1.

The Communist-led union General Confederation of Labor, which had objected to Mr. Jospin's decision to receive leaders of groups representing the unemployed protesters in his office Thursday, issued a statement publicly condemning "carrot and stick tactics."

Alain Boquet, the Communist floor

leader in Parliament and mayor of a town near Arras, where protesters occupied a welfare office for nearly a month, called the expulsions Saturday "a humanly and politically grave error."

Mr. Jospin said nothing Saturday, but indicated after announcing the extra payments Friday that he expected the occupation of government offices to end.

About a thousand people demonstrated in Bordeaux on Saturday afternoon, vowing to continue pressure on the government, while union and unemployed groups' leaders called a national demonstration in Paris on Tuesday.

Mr. Jospin's leftist majority ousted President Jacques Chirac's conservatives from power in Parliament in June after a campaign promising to make jobs their highest priority. But once in

power, Mr. Jospin continued cutting the budget deficit so France could join the European common currency that is planned to start next year, supporting legislation to reduce the workweek to 35 from 39 hours but putting it off for most workers until the next decade.

The unemployed rose up in frustration in December, demanding payment of a year-end bonus of 3,000 francs and higher benefits. Mr. Jospin said Friday that raising them would have cost several tens of billions of francs and unsettled the economy.

■ **Protests Continue in 5 Cities**

Jobless demonstrators maintained sit-ins in five cities Sunday, The Associated Press reported. The protests persisted at the Chamber of Commerce and Industry offices in Cherbourg, Metz, Guingamp, Lyon and Nantes.



A banner at an office in Lyon that reads "Against Unemployment: Occupation."

BRIEFLY

Bonn Said to Agree On Holocaust Fund

BONN — The German government has reached agreement with Jewish groups to pay a total of 200 million Deutsche marks in compensation to Holocaust survivors in the former Eastern bloc, the daily Tagesspiegel reported.

The newspaper quoted sources in Bonn as saying that the deal was reached in talks last week between Jewish representatives and the German chancellery minister, Friedrich Bohl. Yearly payments of 50 million marks (\$27.4 million) will be made, and distributed among about 18,000 survivors of death camps and ghettos, the paper said Saturday.

Government sources said Bonn would make an official statement on the issue on Monday. A government spokesman declined to comment. The Jewish Claims Conference was unavailable for comment. (Reuters)

Greek Aide Defends Controls on Borders

ATHENS — Greece is doing everything it can to stop the flow of Kurdish refugees, the minister of public order, Georges Romenos, said Sunday.

Germans "must know that their borders are not as secure as they seem," he

said after the German interior minister, Manfred Kanther, asserted that Greece was failing to patrol its ports.

Mr. Romenos placed the blame on Turkey, saying said he spoken with Mr. Kanther and "stressed that in 1997, 62 Turks smuggling illegal immigrants had been arrested in Greece." He also said controls along the Greek coast would be increased, with new patrol boats equipped with high-tech cameras. (AP)

Judge in Canaries Jails Cult Leader

SANTA CRUZ DE TENERIFE, Canary Islands — A Spanish judge had ordered a German cult leader to be held without bail following her arrest on suspicion of organizing a mass suicide.

Judge Juan Luis Lorenzo Bragado questioned the suspect, Heide Fitkau-Garthe, 57, for five hours before issuing the order Saturday, the EFE news agency said. She is charged with induction to suicide, attempted murder and belonging to an illegal group.

She was arrested Wednesday and accused of planning to induce the 31 members of the cult, all but one Germans, to kill themselves before 8 P.M. on Thursday, when they believed the world would end. The followers, who included five children, told the police that they had expected a spaceship to pick up their bodies from Teide Mountain on Tenerife. (AP)

Last Serb Enclave Is in Suspense as Croats Return

By Christine Spolar
Washington Post Service

VUKOVAR, Croatia — In a dark café here, a man and a woman clink tumblers of brandy. They speak fondly, brows close and eyes lowered, as if, on an icy winter night, they are snatching forbidden pleasures.

In fact, these two divorced 40-somethings are toasting old friendship. But he is a Croat and she is a Serb, and in this city of fear, that bond comes close enough to an illicit one.

"People are waiting to see what will happen here," said the woman, Mirjana Ivanovic, looking out a window onto a landscape of broken bricks, twisted lampposts and shattered tiles. "Everybody really thought this would cover go back to Croatia. Now we're just waiting to see how it will be."

On Thursday, another wedge of the Balkan peace package, two years in the making, will fall into place. The last Serb-held enclave in Croatia — a ravaged stretch of territory along the Serbian border known as Eastern Slavonia — will leave the hands of the UN authorities and return to the Croatian government.

In some quarters, oerxes are tant. But this historic changeover is moving ahead so far, day by day, with no embittered wave of departing refugees.

Anonymous phone threats are reported, yet relatively few incidents of violence have been recorded, most prominently two grenade attacks against ethnic Serbs. Passions or even the notion of retaliation appear curbed by dogged preparations to close this

drawn-out chapter of the Balkan war.

"People appear to be welcoming back their neighbors," one international aid worker said cautiously last week. "More than we expected, people appear to be thinking for themselves — and taking things a day at a time."

There were plenty of reasons to fear how Serbs and Croats would greet the turnover.

East of Zagreb, whole villages of bullet-ridden farmhouses bear testament to Serbian territorial ambitions in 1991. Vukovar, a once-graceful, bustling city perched on a bank of the Danube, stands in particular as a rotting symbol of the split-up of Yugoslavia.

Vukovar, a city of Serbs, Croats, Hungarians and other nationalities, was nearly flattened in a siege that autumn by the Yugoslav military. The furious battle added confirmation that the Yugoslav Army was openly fighting for territory where Serbs live outside Serbia.

After years of bitterness, revenge came. In 1995, Croatian soldiers, fueled with hardware and trained by U.S. military retirees, retook the territory west and south of here, critical gains that crippled Serbian ambitions. An advance on Eastern Slavonia — in a region already teeming with Serbian refugees — was staved off by diplomatic efforts.

An agreement to restore the region was devised late in 1995, just as a peace accord for neighboring Bosnia-Herzegovina was devised.

Transition has not proved easy. Local politicians, even in the weeks leading up to the changeover, have argued that neither Croats nor Serbs will feel safe

without United Nations control.

But tumors and fears are giving way to realities. Conflicts between old neighbors, for now, may be limited simply by the low number of returnees who have come or want to come home to crumbled cities like Vukovar.

Vojislav Stanimirovic, leader of a moderate Serbian faction here, estimated this week that fewer than 100 Croats have come home to this regional center where 55,000 people once lived.

Some, gone for more than six years, have left for good. Other likely returnees drive into Vukovar, only to turn around when they see the bleak prospects. Every factory and nearly every storefront here was reduced to, and remains, rubble. Jobs, except in the open-air market or in a few government offices, are nonexistent.

"I've never seen anything like this," said Mirjana Zemlic, a Croat who came to Vukovar one day from the nearby town of Beli Manastir. "The politicians can say what they want, but if people have nothing to do here, why would they come back?"

But some sense of calm, in fact, comes from those trying to look to the future. The Croatian government and communities here, so far, have followed through on promises to establish police, judiciary and school systems that reflect prewar population splits and, in the last year, voter sentiment.

The regional police force is split nearly in half between Serbian and Croatian officers. Judicial appointments have been divided-up between the Serbian and Croatian legal authorities. Schoolbooks are to be available in both

the Cyrillic script used by Serbs and the Latin script used by Croats.

UN officials are holding their breath about the possibility of a smooth transfer, saying that many of the 120,000 Serbs in the region still live in Eastern Slavonia.

They, like many others, are waiting to see if the Croatian government lives up to its promises after the much-heralded transfer date — and if their erstwhile Croat neighbors will return.

Ivan Frank, 76, was among native Croats caught in the Serbian onslaught. He and his Serbian wife huddled in the basement of their apartment building when it was assaulted with mortars.

After the city fell, he was sent to prison in Serbia, only to be released a month later. For the next six years he lived on the island of Hvar, off the Croatian coast, in a hotel filled with other refugees.

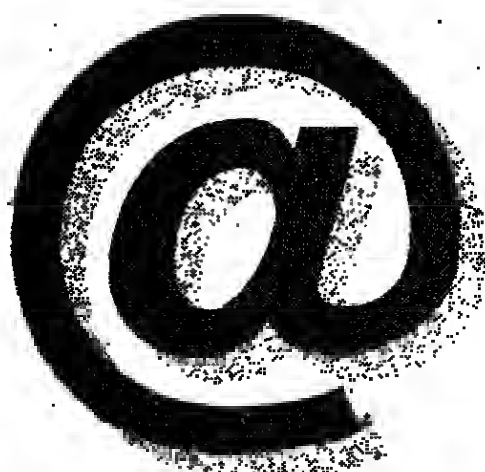
A few weeks ago, Mr. Frank returned to Vukovar as the first official new resident of his housing block, which had been repaired with European reconstruction funds.

But there remain many holes in his life. He lost his only son in the war. He and his wife have been separated since that early siege, and she now lives in Australia. Now the two communicate by phone and letter.

She is too frightened to consider coming back. In his old age, Mr. Frank said, he is too worn to contemplate taking on life in a faraway country, even though he has few friends left.

"Oh, I don't blame her," he said quietly of his wife. "I only feel pity. What we've all been through."

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INTERNATIONAL

U.S. Now Warms to Iranian President's Proposal of Cultural Exchanges

By Steven Erlanger
New York Times Service

WASHINGTON — After a few days of reflection on the address to the American people by President Mohammed Khatami of Iran, senior American officials are changing their tone and embracing the idea of cultural exchanges that fall short of a formal, government-to-government dialogue.

But that formal dialogue is vital to any real improvement in relations with Iran, the officials repeated, adding that atmosphere also matters.

Noting that the interview with Mr. Khatami last week was also broadcast in Iran and received a mixed reception, American officials say they have a fuller understanding both of the courage of his address and what is possible within the divided politics of theocratic Iran.

"When the president of Iran, a country with whom we've had a very bad relationship for a long time, gets on CNN and addresses the Amer-

ican people and starts praising our values and our civilization and talks about a dialogue, then it behooves us to respond," a senior American official said.

"When he says he regrets the hostage-taking and talks about America as a great civilization and these things get criticized in Iran," the official continued, "it is an indication to us that he's interested in breaking down this distrust and finding a way to engage with us."

All that "is important on a rhetorical level," the official said.

But he cautioned that "we have some real problems with Iranian behavior" that can only be resolved in "authorized, government-to-government talks" of the kind Washington has been seeking — publicly and privately, through various diplomatic channels — for months.

U.S. diplomatic overtures for new talks on the substantive problems of the relationship were passed to Iranian officials in Tehran by Saudi intermediaries in June and early July, The Los

Angeles Times reported in July, before Mr. Khatami took office.

Another overture, sometime after his inauguration, was made in a letter delivered by the Swiss, who represent U.S. interests in Tehran, where there is no American diplomatic representation, The Washington Post reported.

But these overtures — and less-formal efforts made through research groups based in Washington — produced little at the time, officials said.

"A real improvement in Iran's behavior and relations with the United States will depend more on domestic political change in Tehran than anything we do or say," a senior official said.

"And what we do or say will have an exaggerated impact over there. There is a real risk in saying too much and doing in the guy who's trying to make things better."

While wanting to be receptive to the overture from Mr. Khatami, American officials do not want to be "bounced," one said, into aimless

talks that harm U.S. efforts to isolate Iran and produce no discernible change in Tehran's behavior.

So the State Department spokesman, James Rubin, says the United States will "take a serious, hard look" at Mr. Khatami's vague proposal for a more formalized expansion of cultural and educational exchanges.

But limited informal exchanges already exist, Mr. Rubin said, and what matters to Washington remains now what it was last week: a halt in Iran's support for terrorism; a halt to its pursuit of weapons of mass destruction and ballistic missiles to deliver them; and a halt in its active support for radicals opposed to the Middle East peace effort.

The U.S. response to Mr. Khatami is designed not to cause any inadvertent damage to his standing in Iran — but without appearing to take sides in the struggle between conservative adherents of Iran's spiritual leader, Ayatollah Sayed Ali Khamenei, and those who look to Mr. Khatami to

soften Iran's religious fervor and encourage the trend toward the more moderate brand of Islam he appears to represent.

■ **U.S. Confirms Start of Visa Review**

The United States confirmed Sunday that it was beginning a review of the tight restrictions on issuing visas to Iranian nationals, the International Herald Tribune reported.

At the same time, Samuel Berger, President Bill Clinton's national security adviser, repeated that the administration's interest was in a direct official dialogue. "We would welcome a government-to-government discussion with all issues on the table" and "no preconditions," Mr. Berger said on CNN.

He would not say how long the U.S. review of visas for Iranians might take.

He also declined to confirm reports that Secretary of State Madeleine Albright had sent Mr. Khatami a letter shortly after his election offering to open a dialogue.

The Very Famous Women in His Life

Fiancée and Boss Make U.S. State Dept. Aide a Star, of Sorts

By Melinda Henneberger
New York Times Service

WASHINGTON — When James Rubin, the U.S. State Department's chief spokesman, got word that CNN had refused to provide an advance copy of its interview last week with the Iranian president, he lost patience.

"Oh, really? Who says?" he asked one of his deputies, and threatened to start dialing CNN editors himself.

No one in the room, where about a dozen foreign-policy experts were waiting their turn to prepare him for the noon briefing, mentioned what every consumer of Washington gossip knows: Mr. Rubin, close adviser to the secretary of state and the man who would deliver the government's official response, could easily phone the reporter who got the interview, CNN's Christiane Amanpour, last month, on his knees on a beach in Tobago, he asked her to marry him.

In a city rife with examples of power couples whose small worlds — in this case, the world — are pretty contiguous real estate, the situation was generally regarded as more awkward than improper — and a matter of particular interest to the many Washington couples whose similarly tangled relationships are not the subject of TV news.

"It's just something to tease Jamie unmercifully about," said Michael McCurry, presidential spokesman and former State Department spokesman.

"And it's like Jamie to have a relationship people talk about."

Even more than Ms. Amanpour, his boss, Secretary of State Madeleine Albright, the 37-year-old Mr. Rubin something of a Washington personality.

Though he is generally regarded as an edgy New Yorker, paring, illegally smoking at his desk, moving fast but showing up late in his black leather jacket, Mr. Rubin is nonetheless a Washington insider. He is hardly an overnight

success here, having spent his entire adult life in foreign affairs, learning the issues and the players to jobs at the Arms Control Association, Senate Foreign Relations Committee and the United Nations, where he went to work for Mrs. Albright in 1993.

But suddenly, a guy known mainly for mastery of such unsexy topics as nuclear weaponry is on George magazine's list of Washington's best-dressed men. He receives a steady trickle of mash notes from women who watch his daily briefings on cable and apparently thrill to his pronouncements on Iraq and China.

"It's ironic that I should be getting engaged at just the moment when I'm becoming..." Mr. Rubin paused for an uncharacteristically long time, presumably searching for some modest way to describe his enhanced status. "...A more eligible bachelor," he finally concluded.

As they join the ranks of the prominently entangled, Mr. Rubin and Ms. Amanpour, one of the world's best-known foreign reporters, join such couples as the Federal Reserve Board's Alan Greenspan and NBC's Andrea Mitchell, and the Republican Mary Malin and the Democrat James Carville, who as perpetually opposing pundits have turned their conflicting world views into a money-making venture.

The future bride, who is 40, once took on the man who is now her fiancé's boss's boss over what she called his "constant flip-flops" on Bosnia. During a 1994 town meeting, President Bill Clinton snapped, "There have been no constant flip-flops, madam," and later apologized.

Ms. Amanpour says that nothing had changed for her professionally because of the engagement. "Just because I've fallen in love doesn't mean I've lost my head," she declared.

And well before Mr. Rubin began seeing her last summer, his personal and professional lives already overlapped. He has a notably close and complicated

relationship with his boss, and in his dual roles as assistant secretary of state for public affairs and adviser to Mrs. Albright, counsels her on everything from geopolitics to potential fashion violations.

And while Mrs. Albright clearly put Mr. Rubin on the map, the reverse is also true to an extent. Press savvy in the extreme, he is widely credited with a major role in making Mrs. Albright the news media star she is, though those in her keenly sensitive inner circle yelp at the implication that she needed any help.

Certainly, their fortunes are almost inextricably linked. And Mr. Rubin's relationship with the secretary of state has both protected him and made him a target.

"He reflects her, and she is in very high standing — and when he goes off, he gets forgiven," said Mr. McCurry, referring to a recent incident that for a short time appeared to threaten Mr. Rubin's job.

That incident illustrates the ease with which an ill-chosen word from a State Department spokesman can create a mess of world-wide proportions: During a December trip to the Middle East, Mr. Rubin told reporters that the United States was considering expanding the amount of food and medicine Iraq can buy with oil. Critics call this humanitarian program an easing of sanctions, but American officials insist it strengthens the sanctions by robbing Saddam Hussein of the argument that children are starving because of the embargo.

In the briefing, a reporter pushed Mr. Rubin, who was speaking as a "senior administration official," to admit that the proposed expansion was in fact "a carrot" for Mr. Saddam, and Mr. Rubin rose to the bait.

"It may be a little carrot," he answered, "but there's a big stick" floating toward the Gulf, a reference to an American aircraft carrier.



The definition of a power couple: CNN's Christiane Amanpour and the State Department's James Rubin.



Only the "little carrot" portion of the quote was widely reported, Mr. Rubin said, with no mention of the "stick."

The remark was a clear political blunder, giving the impression that Mr. Clinton was negotiating with Mr. Saddam. Mr. Clinton was said to be furious, and Mrs. Albright chewed him out.

Still, says the national security adviser, Samuel Berger, "He doesn't make many mistakes."

Mr. Rubin's relationships with reporters — his "clients," as he calls them — seem a world better than when, as Mrs. Albright's spokesman at the United Nations, he was known to answer queries from reporters for less prestigious news organizations by saying, "That question bespeaks incredible ignorance!"

These days, he is more popular among the reporters who cover him, and though some feel he has been inflated by the recent attention, they also say he seems to have found the "little carrot" incident a sobering experience.

Mostly, they praise his intellect, and

his access to Mrs. Albright. In a staff meeting this week, they bantered comfortably and communicated to very few words, speaking almost in code. More than one colleague views her feelings for him as partly maternal.

Certainly, she is fiercely protective of him when asked whether Mr. Rubin could be considered a "policy stylist" — a suggestion he himself has not only agreed with but declared "kind of cool."

"I guess that's meant derogatory," she said, clearly annoyed, and went on to praise him as "brilliant" in a variety of ways.

"We have a similar sense of humor, both like to work hard and both consider it a treat to do foreign policy on a full-time basis," she said.

Mr. Rubin also said that he and Mrs. Albright were good company for each other, but sometimes spent off-hours together by default.

"She didn't have a family and I didn't have a personal life, and you'll find

yourself back home on a Sunday with no plans and she'll say, 'Jamie, you want to go to the movies?' because there's nobody else," he said. "You haven't called anybody else in so long that you have nobody to call. It's self-fulfilling."

Mrs. Albright has said that she is "elated" about Mr. Rubin's pending nuptials, which are to take place this summer.

And at the end of the day his staff spent chasing the transcript to Mrs. Amanpour's interview in Iran — they finally got it through the White House, in late afternoon — he settled in to finally watch her on television. And, then, watch her some more.

Talking to a reporter while viewing the replay of the interview, Mr. Rubin's attention momentarily wandered from the conversation. When asked if he had been distracted by the televised image of his intended, he owned up.

"Yeah," he said. "I'm trying to see if I can see the ring."

SEX SLAVERY: Slavic Lands Offer Traffickers a Rich Source

Continued from Page 1

"will even be fined," she said softly, slow tears filling her enormous green eyes. "You can call me a fool for coming here. That's my crime. I am stupid. A stupid girl from a little village. But can people really buy and sell women and get away with it? Sometimes I sit here and ask myself if that really happened to me, if it can really happen at all."

Then, waving her arm toward the muddy prison yard, where Russian is spoken more commonly than Hebrew, she whispered one last thought: "I'm not the only one, you know. They have ruined us all."

Centred in Moscow and the Ukrainian capital, Kiev, the networks trafficking women run east to Japan and Thailand, where thousands of young Slavic women now work against their will as prostitutes, and west to the Adriatic Coast and beyond. The routes are controlled by Russian crime gangs based in Moscow.

Even when they do not specifically move the women overseas, they provide security, logistical support, liaison with brothel owners in many countries and, usually, false documents.

Women often start their journey by choice. Seeking a better life, they are lured by local advertisements for good jobs in foreign countries at wages they could never imagine at home.

In Ukraine alone, the number of women who leave is staggering. As many as 400,000 women under 30 have gone in the last decade, according to their country's Interior Ministry. The Thai Embassy in Moscow, which processes visa applications from Russia and Ukraine, says it receives nearly 1,000 visa applications a day, most of them from women.

Israel is a fairly typical destination. Prostitution is not illegal here, although brothels are, and with 250,000 foreign male workers — most of whom are the single or here without their wives — the demand is great. Police officials estimate that there are 25,000 paid sexual transactions every day. Brothels are ubiquitous.

None of the women seem to realize the risks they run until it is too late. Once they cross the border their passports will be confiscated, their freedoms curtailed and what little money they have taken from them at once.

"You want to tell these kids that if something seems too good to be true it usually is," said Lyudmila Biryuk, a Ukrainian psychologist who has counseled women who have escaped or

been released from bondage. "But you can't imagine what fear and real ignorance can do to a person."

The women are smuggled by car, bus, boat and plane. Handed off in the dead of night, many are told they will pick oranges or work as dancers or waitresses. Others have decided to try their luck at prostitution, usually for what they assume will be a few lucrative months. They have no idea of the violence that awaits them.

The efficient, economically brutal routine — whether in Israel, or in one of a dozen other countries — rarely varies. Women are held to apartments, bars and makeshift brothels; there they service, by their own count, as many as 15 clients a day. Often they sleep in shifts, four to a bed. The best that most hope for is to be deported after the police finally catch up with their captors.

Few ever testify. Those who do risk death. Last year in Istanbul, according to Ukrainian police investigators, two women were thrown to their deaths from a balcony while six of their Russian friends watched.

In Serbia, also last year, said a young Ukrainian woman who escaped in October, a woman who refused to work as a prostitute was beheaded in public.

In Milan, a week before Christmas, the police broke up a ring that was holding auctions in which women abducted from the countries of the former Soviet Union were put on blocks, partially naked, and sold at an average price of just under \$1,000.

"This is happening wherever you look now," said Michael Platzer, the head of operations for the UN's Center for International Crime Prevention, based in Vienna. "The Mafia is not stupid. There is less law enforcement since the Soviet Union fell apart and more freedom of movement. The earnings are incredible. The overhead is low — you don't have to buy cars and guns. Drugs you sell once and they are gone. Women can earn money for a long time."

"Also," he added, "the laws help the gangsters. Prostitution is semi-legal in many places and that makes enforcement tricky. In most cases punishment is very light."

In some countries, Israel among them, there is not even a specific law against the sale of human beings.

Mr. Platzer said that although certainly "tens of thousands" of women were sold into prostitution each year, he was uncomfortable with statistics since nobody involved has any reason to tell the truth.

"But if you want to use numbers," he said, "think about this. Two hundred million people are victims of various forms of slavery. Most aren't prostitutes, of course, but children in sweatshops, domestic workers, migrants."

"During four centuries, 12 million people were believed to be involved in the slave trade between Africa and the New World. The 200 million — and many of course are women who are trafficked for sex — is a current figure. It's happening now. Today."

Ukraine — and to a lesser degree its Slavic neighbors Russia and Belarus — has replaced Thailand and the Philippines as the epicenter of the global business in trafficking women. The Ukrainian problem has been worsened by a ravaged economy, an atrophied system of law enforcement and criminal gangs that grow more brazen each year.

Young European women are in demand, and Ukraine, a country of 51 million people, has a seemingly endless supply. It is not that hard to see why.

Neither Russia nor Ukraine reports accurate unemployment statistics. But even partial numbers present a clear story of chaos and economic dislocation. Federal employment statistics in Ukraine indicate that more than two-thirds of the unemployed are women.

The government also keeps another statistic: employed but not working.

Those are people who technically have jobs and can use company amenities like day-care centers and hospitals. But they do not work or get paid. Three-quarters are women.

And of those who have lost their jobs since the Soviet Union dissolved in 1991, more than 80 percent are women.

The average salary in Ukraine today is slightly less than \$30 a month, but it is half that in the small towns that criminal gangs favor for recruiting women to work abroad. On average, there are 30 applicants for every job in most Ukrainian cities. There is no real hope; but there is freedom.

In that climate, looking for work to foreign countries has increasingly become a matter of survival.

"It's no secret that the highest prices now go for the white women," said Marco Buffo, executive director of On the Road, an anti-trafficking organization in northern Italy. "They are the novelty item now. I used to be Nigerians and Asians at the top of the market."

Now it's the Ukrainians.

Economics is not the only factor causing women to flee their homelands. There is also social reality. For the first

Algerians Flee Villages as Terror Grows

Agence France-Presse

SOUK EL HAD, Algeria — Traveling on foot, by mule or by truck, dozens of terrorized families fled the western mountains Sunday, part of a mass exodus from the latest round of murderous atrocities.

Left behind them was a string of deserted hamlets, whose most fortunate residents joined the exodus. The rest had been killed in the worst frenzy of slaughter seen in Algeria since the Islamic fundamentalist insurgency began in 1992.

The independent press reported over the weekend that a fresh wave of bombings, unofficial roadblocks and attacks on villages had killed 41 men, women and children to the west and south of Algiers.

The Ouarensenis mountain range, 250 kilometers (160 miles) west of the capital, was the main scene of the violence that since Dec. 30 — the start of the Muslim holy month of Ramadan — has claimed at least 600 lives, according to the press.

Sabine, where 113 people had been massacred, was a ghost town. Two Agence France-Presse journalists who arrived in the village Saturday only found human remains, graves and stray dogs.

Several newspapers described the wave of violence as an attempt by Islamic extremists to divert military pressure on them in the center of the country.

The Ouarensenis attacks were attributed to the main fundamentalist organization, the Armed Islamic Group.

Commandos from the Armed Islamic Group were believed to be exacting revenge on villages in an area controlled by a rival group, the Islamic Salvation Army, which declared a unilateral cease-fire Oct. 1.

time, young women in Ukraine and Russia have the right, the ability and the willpower to walk away from their parents and their hometowns.

Village life is disintegrating throughout much of the former Soviet world, and youngsters are grabbing any chance they can find to save themselves.

HAVE-NOTS: Europe's Rifts Surface

Continued from Page 1

sponding to precariousness, exclusion and poverty. Governments of both the left and the right in the three countries have been reluctant to call attention to the widening place of the poor in their societies.

In Germany, where unemployment totals were reported Friday to have reached record postwar levels and Chancellor Helmut Kohl acknowledged the failure of his pledge to cut joblessness in half by the year 2000, the European Union lists 13 percent of the population as living in poverty. And Catholic and Protestant charitable organizations reported last year that for every 100 welfare recipients the country had 167 "hidden poor."

In an election year, the issue of social justice in Germany could be at the heart of a campaign fought between conservatives and Social Democrats, both whipsawed by the monetary system's spending constraints, the need to lower taxes and reduce the cost of German labor, and the pressures of a population increasingly aware of and ill-at-ease with polarization between rich and poor.

In Britain, the European Union says that 23 percent of the nation's households fall under the poverty line. With growth expected to fall off in 1998 to perhaps less than 2 percent, Prime Minister Tony Blair's intention to make further reductions in welfare provisions is likely run into the hardened opposition of the left wing of the Labour Party. Already, some left-wingers have called Mr. Blair more of a Thatcherite than a social democrat.

But the conflict has broken through the surface in France. With its tradition of politics in the streets and change-by-confrontation, France appears a half-step closer to having to deal directly with the consequences of the restructuring policies that have undercut the 50-year-old notions of even-handed income distribution, leaving, by the EU's count, 16 percent of the country's households in poverty.

The French protesters have stressed that they feel they do not speak only for the 4.52 million people officially out of work, but for the 6 or 7 million they say are part of the have-not world. In calling for a 3,000 franc (\$500) year-end bonus for the unemployed, their demands underscored the unacceptability of lowered expectations in French society, an issue avoided by a political establishment unable as a bloc to convince a majority that it has the skills to create new jobs and

new perspectives for the disadvantaged.

Prime Minister Lionel Jospin signaled that he understood how far beyond the normal grievance-and-counter-terror exchanges the circumstances had gone by promising a new approach to issues of poverty and exclusion by March, and in saying he realized how the pain of the protesters had been heightened by the divisions in French life made stark during the holiday season.

But what his offers of additional cash did not do — one newspaper calculated, they corresponded to \$50 more per month per unemployed person — was to stop the protesters' refrain that they could not imagine there was no more money to be found in the pockets of the rich in a country that pridefully proclaims itself the fourth wealthiest power in the world after the United States, Japan and Germany. Mr. Jospin, the protesters said over the weekend, had offered them neither cash nor hope enough.

Give or take details, the Socialist prime minister's dilemma could easily be in the laps of his European colleagues soon. A poll published Sunday in Le Journal du Dimanche said that 77 percent of the people canvassed throughout France thought he did not have the right answers at hand.

Rabbi Says Nostrils Get No Day of Rest

The Associated Press

JERUSALEM — A leading ultra-Orthodox rabbi in Israel has ruled that it is permitted to pick your nose on the Jewish Sabbath, his aide reported on Sunday.

Rabbi Ovadia Yosef delivered the ruling Saturday night in a sermon relayed by satellite to his followers in Israel and abroad.

The newspaper Yediot Ahronoth had reported that Rabbi Yosef had said nose-picking was forbidden because tiny hairs inside the nostrils might also be pulled out.

But his aide, Amir Crispel, said that Rabbi Yosef had actually ruled that picking one's nostrils was permitted.

Rabbi Yosef is among a select group of rabbis who respond to questions from Jews — serious or otherwise — on the minutiae of applying Jewish law to daily life.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

Pakistan Corruption

The tens of millions of dollars illicitly obtained by the family of former Prime Minister Benazir Bhutto of Pakistan could not have been collected without the help of a network of Western and international intermediaries and accomplices.

The corruption detailed in stories by John Burns of The New York Times (JHT, Jan. 10) was made possible by companies that paid bribes to do business with Pakistan, banks that profited from Bhutto-related accounts and lenders and political patrons — including Washington — willing to look the other way. In the last few years, some of these institutions have begun to take steps to combat corruption, but the Bhutto case shows how much more needs to be done.

Since 1977 the United States has had a Foreign Corrupt Practices Act outlawing the payment of bribes to foreign government officials, but for years no other country followed suit. Some nations still allow companies to deduct foreign bribes from their taxes. Last November, 29 industrialized countries agreed on a treaty requiring them to prosecute companies that pay bribes to foreign government officials.

Completion of the treaty was heartening, but it has yet to go into force and

is filled with substantial holes. Fierce enforcement will be needed to make it effective.

That is also true with banking rules. In 1995 Citibank's Geneva branch opened a \$400 million account for a trading company of Asif Ali Zardari, Miss Bhutto's husband, who had a widespread reputation for corruption in Pakistan. While large American banks such as Chase and Citibank have among the world's toughest rules to bar the deposit of illegally obtained funds, the rules are still insufficient and intermittently enforced.

Pakistan also receives billions of dollars in loans from the World Bank and the International Monetary Fund. Both these institutions have cut off loans in other countries because of visible malfeasance but cannot act on the hidden corruption endemic to Pakistan and many other countries.

The World Bank, which last year began to focus on corruption, has improved the tracking of its loans and monitoring of national corruption and is now helping several nations, including Tanzania and Ukraine, carry out anti-corruption programs. These measures should be expanded as rapidly as possible.

—THE NEW YORK TIMES

The Suharto Problem

The constantly moving epicenter of the seemingly unending Asian financial crisis has now moved back to Indonesia. In South Korea, conditions have stabilized, at least for now. Thailand's government is making an earnest effort to reform. But in Indonesia, the world's fourth most populous nation, the situation goes from bad to worse. This is due partly to the wrong medicine being prescribed from outside, partly to Indonesia's failure to implement necessary reforms and very largely to the same shortcomings that helped bring on the crisis in the first place: an absence of democratic accountability.

Indonesia's crisis began last year. In October, it reached an agreement with the International Monetary Fund to restructure its economy in exchange for billions of dollars of emergency loans. But last Tuesday, its currency and stock market went back into a tailspin after President Suharto released a proposed fiscal budget that, according to the judgment of outside investors, was profligate, unrealistic and in violation of the agreed-upon IMF reform plan.

This judgment was, to a large extent, unfair. The proposed budget actually was in balance. Despite terrible inflation now wracking Indonesia, the government proposed almost no pay raise for the civil service. An absence of an admirable job of balancing its budget while reducing poverty in its country. The notion that, at this moment of crisis, the nation needs sudden austerity is simply wrongheaded.

Unfortunately, any defense Indonesia might have presented to the world of its fiscal soundness was undermined by Mr. Suharto's apparent lack of seriousness in tackling the root causes of his nation's financial problems.

Indonesia during his 30-year tenure

has compiled an admirable record of economic growth, but in recent years that growth has been increasingly tarnished by cronyism and corruption. Children and friends of the president have amassed wealth, often from state-sponsored projects.

But Mr. Suharto wavered when it came to shutting down a son's failing bank. He showed no inclination to pull the plug on wasteful and expensive state-sponsored projects, such as one to develop a "national car," which benefit a narrow circle but hurt the economy as a whole. There has been far too little commitment to moving from an economy of favors and influence to an open system ruled by impartial law.

Most of all, investors have moved out of Indonesia because of fear of political turmoil. Mr. Suharto, 76, has had health problems — no one knows how serious — and he has done nothing to prepare for an orderly transition. On the contrary, he has done everything possible to quash those civic institutions that might have eased the way to a more democratic post-Suharto era.

In a nation that has weathered only one change of power since independence — and that one a bloody episode that claimed as many as 500,000 lives — this is no small failing. An absence of any checks on presidential power — the absence of a free press, an independent legislature, a true opposition party — allowed crony capitalism to flourish. Now it impedes the political and economic reform Indonesia desperately needs to stem the current panic.

The best gift Mr. Suharto could give his nation, and his best chance of salvaging a legacy of economic progress, would be to make way now for a new, more democratic system.

—THE WASHINGTON POST

Europe and Refugees

Europe is learning the price of its brave decision to allow the free movement of people across its internal borders. Bad times in regions to the south and Europe's own powerful allure are propelling foreigners into one another's constituent nation, whence they skip freely to other European destinations.

Earlier, those on the move came, in numbers adding up to the hundreds of thousands, from Morocco, Algeria, Bosnia and Albania. In the latest instance, Kurds from Turkey and northern Iraq are landing by the hundreds in Italy and, some, in Greece and then fanning out. Fears of a much greater Kurdish flow are beginning to touch a European political scene demonstrably vulnerable to political blackmail.

Inevitably, the Kurdish exodus has fed into the already-bubbling dispute over what it will take for the Turks to win the great prize of membership in the European Union. The Turkish Army's conduct in putting down what it describes as a violent separatist uprising by Kurds is at the center of Europe's reluctance to accept Turkey as a democratic equal.

The Turks attribute the flight of Kurds to poverty and crime. Many Europeans lay it to Turkish repression. The foreign minister of Germany, Europe's leading host to the Kurds, now openly urges Turkey "to deal with its internal Kurdish problem, and that does not mean militarily but politically."

Meanwhile, a threat grows to an open interior borders policy that is otherwise celebrated as a jewel in an integrating Europe's crown. The very Kurds whom Italy admits as deserving refugees, Germany bars as undeserving migrants. Such discrepancies are pushing Europe to coordinate member states' immigration and asylum policies — itself no bad thing. Other political pressures are pushing Europe to impede the flow.

The first requirement here is that Europe preserve a generous space for political refugees. It may be hard, especially in Turkish circumstances of widespread unpopularity, to distinguish legitimate refugees from ordinary economic migrants. Americans know this from their own checkered experience. But the task must be done.

—THE WASHINGTON POST

Four Kinds of Gas Stations, Four Kinds of Backlash

WASHINGTON — I like to think of the world as four different gas stations.

At the Japanese gas station, gas is \$5 a gallon, four uniformed men wait on you and wash your windows and you drive away at ease.

At the American gas station, gas costs \$1 a gallon, you pump it yourself and four homeless people mug you around the corner and steal your hubcaps.

At the European gas station, gasoline costs \$5 a gallon, one person who works 32 hours a week and has six weeks vacation waits on you, and four people living on generous unemployment insurance play bocce ball across the street.

At the communist gas station, gas costs only 50 cents a gallon but there is none. The four attendants have sold it all on the black market for \$5 a gallon.

What is happening, for the moment, is that the American gas station model is triumphing over all others. But not without a struggle.

Korea, Japan and the other Asians are scrambling to avoid having to emulate the U.S. system. They like their kind of gas station, which has kept a lot of people employed and preserved social harmony, by using crony

By Thomas L. Friedman

capitalism and walls of protection. Question: What will be the backlash in Asia from everyone's being forced into the U.S. gas station? I see several scenarios:

1. The anti-American backlash. What happened in Asia is that a lot of private businesses in Korea, Indonesia, Malaysia and Thailand, working through their local banks, borrowed money from private American, Japanese and European banks. Then the Asian currencies collapsed and they were unable to pay back their loans. The IMF, to stabilize the situation, steps in and asks the Asian governments to take over the failing banks, in order to sort out the bad loans and repay the foreign banks.

The IMF also insists that these countries open their economies and let foreigners buy controlling interests in local banks and businesses. In return the IMF lends them money to pay off their debts. Then, when the crisis is over and these countries start growing again, their citizens can repay the IMF.

In short, the Asians are being told: Let America in, have your taxpayers pay

America's banks back, let Americans buy your crown jewels at bargain basement prices and, by the way, get rid of those three extra guys working in your gas station.

Some Asians won't mind this. A Thai friend told me that a friend of his recently lost his wallet with four bank cards in it, one from American Express and three from Bangkok banks. American Express sent him a new card that evening by motor scooter. He still has not heard from the three Bangkok banks. If American Express is now able to buy one of those Bangkok banks and improve its services, will he care? Not at all. But a lot of Thai businessmen might when they discover that American Express won't lend money the old crony way, or that they have to sell their Thai hotels and banks to Americans, at fire-sale prices, to stay solvent.

2. The anti-free-market backlash. There is going to be a big push now to find a "third way" between the American gas station and the old Asian one. A lot of countries are going to try to avoid huge layoffs by reducing the workweek, pumping some money into the economy (despite the IMF), keeping some large projects going and asking people to save more and cash in their gold earrings.

Maybe they will lay off one of the four people at their gas station but still keep three. Their attitude is that there was an Asian capitalist way before and there can be one again. Anything but the American gas station.

3. The political backlash. If you talk to Indonesians today, what's interesting is that they don't blame the International Monetary Fund or the United States for their troubles, yet they blame the corrupt, greedy, unaccountable Suharto ruling family. As they say in Indonesia, "The Suhartos have everything except a sense of shame." Open markets ultimately need an open political system, and the emerging middle classes in Asia know it and are pressing for it as a result of this crisis.

4. The ethnic backlash. In Indonesia, Thailand and Malaysia, small Chinese merchant classes dominate the economies. If these societies really go into economic turmoil, there is real danger the Chinese minorities throughout Southeast Asia will be attacked. How will China react to that? Hmmmm.

My bet: We are going to witness all four backlashes at the same time. It's not easy to change gas stations.

The New York Times

American Remedies Won't Work in the Asian Crisis

By William Pfaff

PARIS — Currency collapse in Indonesia has outstripped the economic remedies proposed by the International Monetary Fund. This could very likely become the case for Thailand and South Korea as well. A new initiative is needed, which means new thinking.

The economic crisis in Asia is a crisis of the American model for a globalized economy. Asia's implosion has resulted from the conflict between that American model and an Asian growth model that originated in Japan and was imitated elsewhere.

The IMF's proposed remedies are also American in inspiration. They were developed by the IMF in close cooperation with the Clinton administration Treasury and reflect mainstream U.S. economic views.

Those measures, at least in their initial application, have failed to halt the fall of Asian markets, banks and currencies. They are, additionally, criticized in principle not only in Asia but by influential American economists, such as Jeffrey Sachs of Harvard and Joseph Stiglitz, chief economist of the World Bank, as actually making the situation worse by imposing further deflation on

economies already suffering from deflation.

However, no international actor with the power to influence the situation is offering an alternative. It is generally acknowledged that the crisis is worsened by a contagious lack of confidence and by what George Soros politely describes as the tendency of market players to "move in a herdlike fashion."

The IMF itself acknowledges that Russia and Brazil now risk being drawn into the crisis — thus moving economic disruption toward Eastern Europe and into the Americas.

With the United States and its policies at the heart of the problem, it is difficult for Washington, or Washington-based international agencies, to restore confidence without reversing policy (which would itself be no confidence-builder).

If Japan were capable of international initiative, one might imagine an Asian-based international consultation, and regional remedial action, that might halt or slow the crisis. But Japan, for bureaucratic as well as political reasons, is unable to act independently.

If Europe had the central economic directorate it promises to bestow upon itself when it acquires a single currency next year, it might be capable of a constructive initiative. German and French banks have greater loan exposure in Asia than American banks. But the Europeans renounced an independent role in world economic affairs 50 years ago, and despite the EU's enormous economic power today have never claimed it back.

However, is it imaginable that Japan and the European Union might work jointly to develop proposals for stopping what could eventually become global deflation if they could do so under respectably neutral auspices? Could they do so in terms that Washington could endorse without dominating?

The World Economic Forum, which convenes in Davos in three weeks, will bring together in Switzerland representatives of nearly all the most influential public and private actors in the world economy today.

This meeting might be made the occasion for a new examination of the nature and

sources of the Asian crisis, and for the start of an open-minded reappraisal of economic and institutional measures to slow it or reverse it.

As David Hale of Zurich Kemper Research has said, it is evident that the market alone has a record of persistent miscalculation of risk and misallocation of resources. There is an essential role for governments in dealing with what Mr. Hale calls the most important case of transnational financial contagion since the collapse of Austria's Creditanstalt Bank in 1931.

As matters stand, the contagion continues to spread, with China, spared until now because its economy is not deregulated, being drawn toward the deflationary vortex.

If the Hong Kong stock market falls, — it is down by more than a third since the high that followed Hong Kong's takeover by China — pressure on the dollar-linked but China-supported Hong Kong dollar could force devaluation of China's own currency. That would explosively enlarge the crisis, which then almost certainly could no longer be confined to Asia.

The Asian growth model originated in Japan and produced

rapid industrialization and export-led growth through a state-influenced system of close cooperation between bankers and industrialists. It could sustain higher debt levels than Western systems because industry, banks and government were collaborating in what was viewed as a national enterprise.

The United States has for years attempted to destroy this Asian model because of its protectionist and statist features.

Mr. Hale writes of what now has happened to Korea: "The shattering of this economic model as a result of foreign banks suddenly withdrawing their funding ... is going to produce a legacy of distrust and resentment which will have long-term political implications."

This is why American-inspired remedies to the problems of Asia no longer possess the credibility they possessed before Thailand's finances collapsed. That provided the first falling domino in a sequence that has yet to be interrupted, whose political consequences could prove more dangerous than the economic ones.

International Herald Tribune
Los Angeles Times Syndicate

Don't Encourage Separatist Aims of Kosovo Albanians

By Jonathan Clarke

LOS ANGELES — With attention transfixed by Asia's economic travails, it is easy to forget yesterday's foreign policy fixations. Bosnia, for example. Having talked a big game of resistance, the U.S. Congress has acquiesced in the administration's decision to extend the U.S. mission there with barely a murmur of protest.

Such moments of inattention can be exceedingly dangerous. Especially when, as is happening today, America's friends are launching policy initiatives that may reignite a Balkan shooting war — this time with U.S. forces at the center.

The issue is a new German and French plan for Kosovo. Kosovo is a small, economically backward region inside Serbia populated by a large majority of ethnic Albanian

Muslims. The trouble is that Serbs regard it as the cradle of their civilization.

All the makings of tragedy are present: The Kosovo Albanian leaders demand instant independence, a demand backed up by assassinations carried out by a shadowy "liberation army."

On the Serbian side, extremists like Vojislav Seselj are exploiting patriotic passions over Kosovo to outflank political moderates inside Serbia proper. Communal violence is already erupting. Arms are plentiful.

In 1991, secessionist pressures paved the way for the disintegration of Yugoslavia and the resultant Bosnian tragedy.

With this lesson still fresh, it might be expected that Western policy would adopt a concili-

atory, cautious posture by allowing existing regional initiatives time to take root.

One such is the agreement reached Nov. 4 by President Slobodan Milosevic of Yugoslavia and Albania's Prime Minister Fatos Nano to consult closely about Kosovo's future. This is an encouraging development, fueled by a new Greek political and economic interest in the Balkans. A Balkan summit meeting in Crete in November promised closer regional economic integration, a development that might ease Kosovo's dire economic problems.

This is too simple for Germany. And U.S. actions threaten to make the situation even more volatile.

Having apparently learned

nothing from their ill-judged intervention in 1991, the German and French foreign ministers sent a crisply worded letter to Serbia and Kosovo leaders at the end of November exhorting them to start a dialogue about Kosovo's future.

Not surprisingly, those actions hardened Kosovo's demands for independence and promoted a Serbian walkout at a December conference reviewing the Dayton peace accords.

The circumstances are hauntingly familiar. In 1991, Germany's partners were agitated at its premature recognition of Croatia and Slovenia but were powerless to protest. Both Britain and France needed German assistance with the about-to-be-finalized Maastricht treaty.

Today, similar conditions apply. With European monetary union on the horizon, Britain and France are once again in thrall to Germany. Their stake in the evolving EU financial architecture is more important than Kosovo. So they are content to go along with Germany on this apparently peripheral issue.

In 1991, Germany thought it was being helpful. By involving the international community in the Balkan dispute, it expected to deflect the tide of war. The opposite happened. The same risk from well-meaning but fundamentally ill-conceived outside intervention is present

today with potentially more serious consequences.

Ethnic Albanians are spread widely throughout the Balkans: in Montenegro, in the former Yugoslav republic of Macedonia, in Bulgaria, in Greece and, of course, in Albania. If they conclude that they have Western backing for secession from Serbia, they may act rashly. Ethnic violence might well spill over to involve all of the Balkans.

This is an extraordinarily unattractive scenario with special negatives for the United States: War to Kosovo could prolong the Bosnian deployment indefinitely.

The Clinton administration needs to take immediate action. Its first target must be the self-appointed nation-builders on the U.S. team who are itching to put their pet theories to the test. The State Department's Bosnia supremo, Robert Gelbard, for example, has brought prominent Kosovo Albanians to Washington to showcase their demands.

With U.S. troops on the line, the administration and Congress should put all of America's efforts into establishing a peace in Bosnia that is durable enough to influence peace in Kosovo.

The writer is a former member of the British foreign service who is affiliated with the *Cato Institute*. He contributed this comment to the *Los Angeles Times*.

Disingenuous Shock and Dismay

By Frank Rich

NEW YORK — No one who has known and admired David Brinkley — and that includes me — can be anything other than saddened by his new, undignified TV role as corporate spokesman for Archer Daniels Midland. But at least Mr. Brinkley waited to retire from broadcast news before he entered the commercial arena. What's his colleagues' excuse?

Tacky as these spots are, they are hardly the pressing scandal right now in TV news, where working journalists blur the line between commerce and journalism every day, pitching products on the air without even bothering to label those pitches as the commercials they are.

Nowhere has this problem been more acute than at Mr. Brinkley's former employer, ABC News, where "Good Morning America" on-camera personnel were enlisted to promote a theme park of the network's parent company, Disney.

But you can also find this incessant product-plugging on almost every local news show, as fake stories are dreamed up to promote network movies, series and specials.

My enterprising local NBC affiliate in New York has gone so far as to hyperventilate about previously little-known

Nazi activity in World War II-era Long Island as a tie-in to its network's airing of "Schindler's List."

From the reaction of other TV journalists to Mr. Brinkley's fall from grace, though, you'd think TV news had never been more pure. This hypocrisy boiled over on Thursday, in a piece by The Washington Post's media critic, Howard Kurtz, in which we learned that "even some of Brinkley's former colleagues at ABC say privately they are heartbroken over his new calling" (JHT, Jan. 10).

In the story, Daniel Schorr, now a senior news analyst for National Public Radio, went into overdrive lamenting how "dismayed and shocked" he was at the Brinkley spots, noting that the former newsmen should be "a role model for young people."

Much as I respect Mr. Schorr, his moralizing would have been easier to take if I had not just seen him playing a fictional anchor opposite Michael Douglas in a Hollywood thriller, "The Game," having also appeared in a chester potboiler, "The Net," the year before.

Last summer almost a dozen CNN correspondents turned up

in the sci-fi film "Contact," including one reporter who was then covering real-life space exploration for that network.

Just how much this revolving door between TV news and Hollywood's celebrity culture undermines the public's already shaky trust in journalism was best stated by the news anchor Tom Brokaw when he explained why he declines movie roles: "It's hard enough for television journalists to convince people that we do our own reporting and write our own material."

None of his former colleagues' corner-cutting makes Mr. Brinkley's new career any more appetizing, but after the dismay and shock subsided, who in broadcast news will blow the whistle on the business's other nefarious practices?

Not the least of these involves Archer Daniels Midland's long effort to minimize tough broadcast journalistic scrutiny of its political contributions and resulting corporate porky sponsoring not just ABC's "This Week" but NBC's "Meet the Press," PBS's "NewsHour" and NPR's "All Things Considered." It's the kind of hard-hitting story that once upon a time we expected from both David Brinkley and Daniel Schorr.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Sawdust Bread

PARIS — For the past two years there has been wholesale adulteration of bread in many parts of France. The deleterious matter mixed with the flour with which this bread was made was nothing less than sawdust, reduced to a fine powder. A man named Fessat, who has, presumably, been making a large fortune by selling, in connivance with millers, a mixture of sawdust and flour, has been arrested.

1923: Ruhr Seizure

ESSEN — The military might of France lies heavy upon the Ruhr Valley with the completion of the first steps for the enforcement of the French policy of productive guarantees. The forward move of the French and Belgians for the occupation of Essen and other industrial centers of the Ruhr began long before dawn to-day

1948: Novel Assailed

MOSCOW — Alexander Fadeyev, leading Soviet novelist and president of the Soviet Writers' Union, attacked himself for bawling through the passages in his best-selling novel, "Young Guard," for which he was recently criticized by two Communist party organs. He promised to rewrite the book to make it correspond to the demands of the Communist party. "Young Guard" was written as picturing the Bolsheviks' interior to the Young Communists in the guerrilla war against the German invaders.

Herald INTERNATIONAL Tribune

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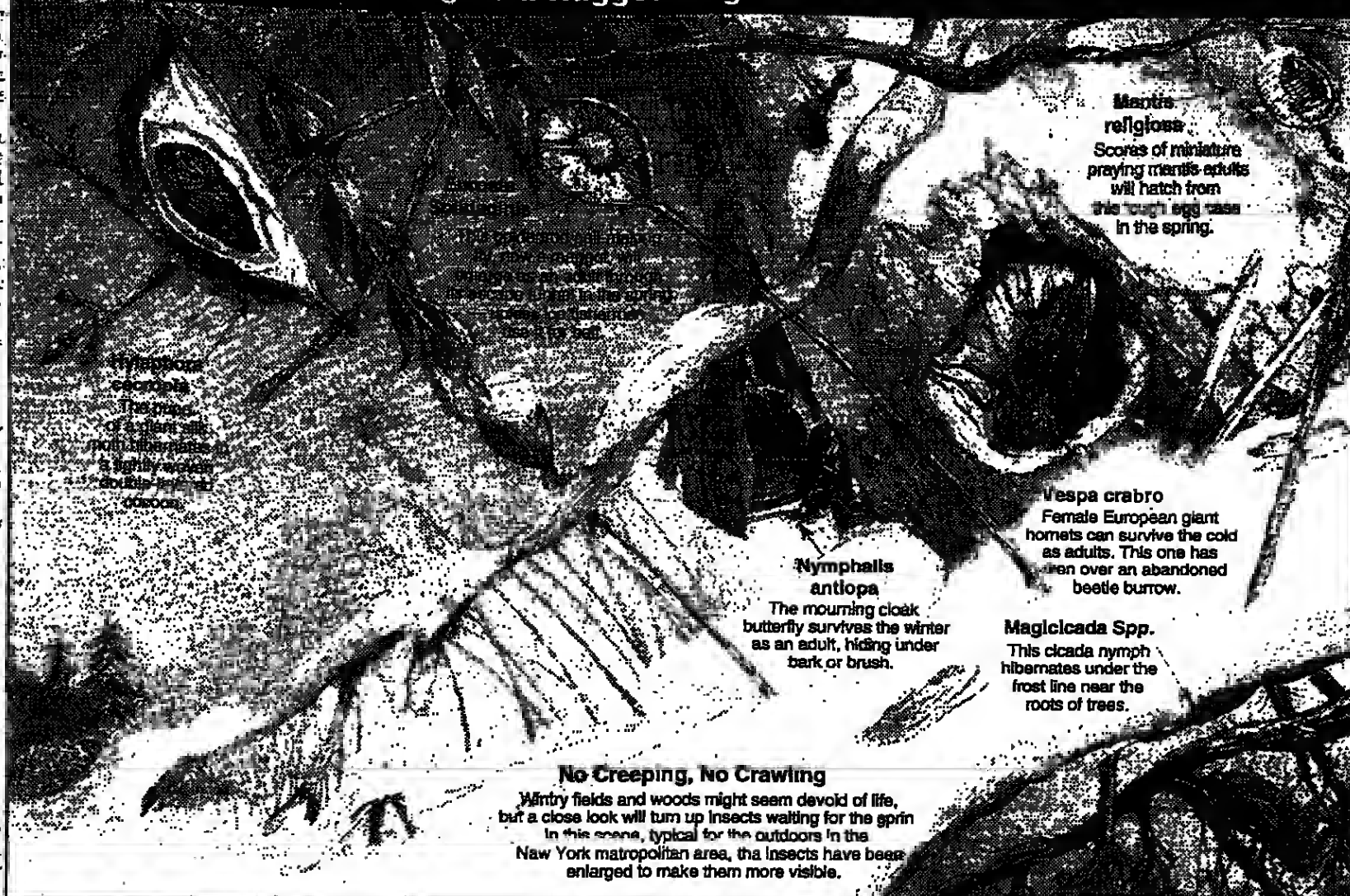
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HEALTH/SCIENCE

The Insect in Winter: Snug as a Rugged Bug



Researchers Choose Sides in Fat Debate

By Gina Kolata
New York Times Service

NEW YORK — The editors of the august New England Journal of Medicine gave their guilt-plagued overweight readers a New Year's gift. Losing weight, they wrote in their Jan. 1 issue, is "an ill-fated New Year's resolution."

Their evidence is taken from one of the largest studies ever conducted on the risks of obesity. In the study, which was published in the same issue, researchers analyzed the fates of 324,135 white adults who were followed for 12 years. They found that the excess risk of dying associated with obesity was modest and declined as people aged. By age 65, the effect was virtually absent. It disappeared altogether by the time people reached 74.

But the reaction to the editorial, written by Dr. Marcia Angell and Dr. Jerome P. Kassirer, was decidedly mixed. Many Americans merely shrugged. Here we go again, they said. Another example of scientists saying one thing one day and another thing the next. Why should anyone believe them?

Outrage was the reaction among medical experts who have made the fight against obesity their life's mission and career. They charged that the eminent editors trivialized a major medical problem.

So is it risky to be fat? Perhaps, some experts say, the problem is that the question is too vague. A more specific question: Does being fat make it more likely that a person will develop chronic disorders like diabetes, high blood pressure and high levels of blood cholesterol? The answer is a resounding yes.

"Obesity is associated with a tremendous increase in diabetes," said Dr. Claude Bouchard, an obesity researcher at Laval University in Quebec. Fat people are up to five times more likely to develop the disease and three times more likely to develop high blood pressure, Dr. Bouchard said.

Another question: Is there an ideal weight (one at which the risk of dying is lowest)? The answer is, once again, yes.

Dr. June Stevens, the lead author of the obesity study and an epidemiologist and nutritionist at the University of North Carolina, points out that her data and those of similar studies indicate the ideal weights are pretty much the same as those on the height and weight charts.

The data are associated with a measure called body mass index, in which the ideal is a number between 19 and 25. (To find your body mass index, divide your weight in pounds by your height in feet squared. Then multiply by 4.89. A woman who is 5 feet 5 inches tall and weighs 126 pounds has a body mass index of 21. A man who is 5 feet 10 inches tall and weighs 146 pounds has a body mass index of 21.)

But the question raised by The New England Journal of Medicine editors is different: Does obesity lead to an early death? When they argued that it did not, the fur flew.

Angell and Kassirer say the evidence that losing weight reduces the risk of premature death is "limited, fragmentary and often ambiguous." Why, they ask, is obesity such a rallying cry for public health and obesity experts, who trumpet it as the second-leading cause of preventable death, after smoking, in the United States?

Could it be, they wrote, that the "medical campaign against obesity" comes from the tendency to "underestimate behavior we do not approve of"? If science can say that obesity is a major cause of premature death, it follows that it must be treated, with drugs if necessary. Doctors repulsed by obesity can justify giving out pills, even those of uncertain value, because it is seen as a major health risk.

Never mind that every drug to date has been only minimally and temporarily effective, and some are even dangerous. The popular fen-phen combination has been banished, after two of the drugs, phenfluramine and dexfenfluramine, were found to be associated with rare and serious heart valve defects.

"In this age of political correctness, it seems that obese people can be criticized with impunity, because the critics are merely trying to help them," Angell and Kassirer wrote.

How the Bug Keeps Snug in Wintertime

By Jane E. Brody
New York Times Service

NEW YORK — There are good reasons that insects, not people, are the dominant form of multicellular life on earth. Not the least of them is the ability to survive extreme environmental stress, particularly the harsh winters in the temperate and polar regions.

While humans have only a limited number of options for keeping warm in winter — donning extra clothing, staying in heated buildings and heading for hotter climates — insects have evolved myriad strategies to survive winter's frigid conditions, including the ability to greatly lower their freezing points and, for some, to tolerate being frozen solid.

On Ellesmere Island, 500 miles (800 kilometers) from the North Pole, for example, an Arctic woolly bear caterpillar lies frozen for 10 months of the year, capable of surviving temperatures as low as 126 degrees Fahrenheit below the freezing point of water. With only two frost-free months each year to develop, this insect can take as many as 20 years to get through its life cycle, from egg to adult moth.

Another cryogenic wonder, the larva of a fly that forms a spherical gall, or tumor, on goldenrod, can survive with 70 percent of its body water frozen, even when temperatures dip to minus 90 degrees Fahrenheit, 122 degrees below freezing.

Why don't their delicate larval cells rupture when their body water turns to ice, and how do they avoid freezer burn? The answer, say entomologists who specialize in how insects make it through the winter, lies primarily in their ability to stoke their bodies with protective compounds, like the ones used to preserve sperm, embryos and blood cells when they are stored frozen in liquid nitrogen.

Unraveling the mysteries of how various insects cope with winter is giving researchers new handles on the biological control of insect pests, including ways to foil the cold-hardiness of crop-damaging pests while reducing agriculture's dependence on toxic chemicals.

For example, Dr. Marcia Lee, a microbiologist at Miami University in Oxford, Ohio, said a number of laboratories were studying the bacteria and fungi that raise the freezing point of insect pests. The goal is to cause the

insects to freeze to death during winter temperatures they would normally survive. The bacteria and fungi are the same ice-seeding microbes used to make snow on ski slopes.

Other researchers are cashing in on how the predators of crop pests get through the winter. Drs. Maurice and Catherine Tauber, husband-and-wife entomologists at the New York State College of Agriculture and Life Sciences at Cornell University, have shown that they could provide farmers with a ready supply of a valuable predator, the common green lacewing, a devourer of destructive aphids and caterpillars. By understanding the basic biology of lacewing dormancy, the Taubers devised a way to induce dormancy at will. They keep mass-cultured lacewings in cold storage in the off season, then artificially break the dormancy and have the insects produce as many eggs as they would have if they had not been stored.

Dr. Maurice Tauber said, "Even with those insects that don't undergo a classic hibernation, we've learned how to induce cold hardiness and store them for months" so they can be released over a field at the right time to attack an insect pest.

As cold-blooded creatures, arthro-

pods that breed in the temperate and arctic zones have one all-consuming winter task: to find some way to keep from freezing to death. Dr. Lee's husband, Dr. Richard Lee, an insect physiologist at Miami University in Ohio, explained that most insects avoided freezing by behavioral adaptations. Some, like the monarch butterfly, migrate long distances to warmer territories, using the ever-shorter days of late summer as their clue to head south before the fall chill makes flying too difficult for an animal that gets sluggish in the cold.

MANY others burrow deep into the soil or head for the bottom of a lake, below the frost line. Ants, for example, may dig down six feet, then form a tight huddle at the end of the tunnel to keep warm.

Dr. Richard Lee explained that in response to environmental clues indicating the coming of winter — like shorter days, lower temperatures and the death of host plants — many insects that would die if they froze produce prodigious quantities of antifreeze, primarily glycerol, sorbitol and trehalose (the main blood sugar of insects).

Some Salts May Reduce Risk of Stroke

By Susan Okie
Washington Post Service

WASHINGTON — Fruits and vegetables contain a type of potassium salt, potassium citrate, that appears to lower blood pressure and may reduce the risk of stroke, according to a study of hypertension-prone rats. Common table salt (sodium chloride) tends to increase blood pressure in many people, ostensibly because of the sodium, so those with hypertension

(high blood pressure) are usually counseled to cut back on salt. On the other hand, patients taking diuretics for high blood pressure are often prescribed supplements of potassium chloride, since potassium is considered beneficial. But the new research suggests that at least in some people, chloride — whether it's combined with sodium or with potassium — also may raise blood pressure.

Researchers at the University of California San Francisco compared the effects of various potassium compounds in the diet of rats genetically predisposed

to high blood pressure and stroke. During the three-month study, the animals fed a supplement of potassium citrate or potassium bicarbonate had consistently lower blood pressure than a control group and suffered no strokes, while those fed potassium chloride had higher blood pressure and more strokes.

As in the rats, the researchers suggest, chloride may exacerbate high blood pressure in people who are genetically sensitive to it. The potassium citrate found naturally in produce, however, may help keep blood pressure under control.

IN BRIEF

Clinton Condemns Cloning

WASHINGTON (Combined Dispatches) — President Bill Clinton on Saturday urged swift action by Congress to ban human cloning before a Chicago scientist can begin experiments that the president condemned as "untested and unsafe and morally unacceptable."

Strongly denouncing plans announced last week by Dr. Richard Seed, Clinton said human cloning carries profound implications that must be thoroughly debated before it could proceed. In his weekly radio address, Clinton not only renewed his call on Congress to pass pending legislation to impose a five-year moratorium on such experiments, but also portrayed Dr. Seed as a scientific renegade.

Thirteen countries on Monday will sign the first binding international ban on human cloning: Denmark, Finland, France, Greece, Iceland, Luxembourg, Norway, Portugal, Romania, San Marino, Spain, Sweden and Turkey.

The Independent on Sunday newspaper said, meanwhile, that experiments in human cloning could begin in Britain as early as next year. It said the prospect of such experiments would move closer with the publication in coming weeks of an official consultation document explaining the benefits of the controversial science. (LAT, Reuters)

17th Victim in Hong Kong

HONG KONG (Reuters) — Hong Kong's Department of Health said a six-year-old girl had contracted the "avian flu" virus, bringing the number of confirmed cases to 17.

The girl in the latest case was admitted to a hospital on Dec. 7, before the authorities ordered that all chickens in Hong Kong be slaughtered, a health department spokesman said.

Initial tests had showed no signs of the avian flu and the girl was discharged. But more recent blood test results indicated that she had been infected. Hong Kong killed 1.4 million chickens and other poultry to minimize the risk of the virus being transmitted to humans by direct contact with live birds.

Mobile Phones Assailed

LONDON (Reuters) — Scientists in Britain are demanding that the mobile telephone, an indispensable modern tool for millions, carry a health warning.

Concerns are mounting about the telephones' potential links to health problems, from headaches to brain tumors.

"Anyone who uses a mobile telephone for more than 20 minutes at a time needs to have their brain tested," said Roger Coghill, a scientist of bio-electromagnetics.

LANGUAGE

Trunk Shows for the High-End Crowd

By William Safire

WASHINGTON — A hot phrase in retailing is *trunk show*. It is the selling of clothes and jewelry what the *tailgate party* is to eating out in the parking lot at sports events.

"Emmanuel Ungaro Paralele Spring 1998 Trunk Show" announces the Saks Fifth Avenue ad. "with informal modeling from noon to 4." That sentence triggered three questions: Does *paralele* mean that Ungaro is beside himself? (No — that's his ready-to-wear division.) What's "informal modeling"? (It's not an all-out fashion show, with runways and music and a bridal gown at the end — just a model or two hanging around the contents of the trunk.) And though even the most unfashionable language mavens know what a trunk is (originally a wooden chest, presumably first made from a tree trunk), what is a *trunk show*?

"Trunk Shows Hit the Road and Spread the Fashion News" was a headline in The New York Times in 1971. The article, by Joan Cook, reported that the American designers were taking to the road with representative collections of publicized European collections of clothing-edge fashions: "In some instances, the designer is on hand for an added smattering of glamour."

Bernadine Morris, a former fashion writer for The New York Times, recalls *trunk shows* starting before World War II: "Manufacturers would pack up a

hundred things in trunks and take them to, say, Macy's in Colorado. The huyer was happy to have the clothes come direct to her, and sometimes invited a few clients to come and take a look. Then it got a little more formal and more public." With the rise of American designers in the '50s, the showing of "designer fashion" took off, and the *trunk show* was the vehicle for personal appearances by the new celebrities.

The attraction for the local store huyer, and for the ultimate purchaser, was an advance look at the designer's line. "I've never been able to do *trunk shows*," Hillary Rodham Clinton

In some instances, the designer is on hand for an added smattering of glamour.

told Vogue in 1993, "because I can't think that far ahead."

The advance look available to a select group of high-end customers (high-end, associated with top of the line, is a euphemism for "rich") is today being extended to a wider clientele. With the ads, in come the crowds — and you can forget the original trunks.

"The word *trunk* is really out of date," the designer Bill Blass, who has been doing these shows for 40 years, tells me. "These days the whole collection is packed in three or four really thick canvas garment bags."

Does this mean that the trunk — used by the Paxton dress-maker Louis Vuitton in 1837 — is passé, now that the era of the *trunk show* is upon us? "I still see some representatives with packing cases," Blass recalls, "coffee-like things laid flat with the clothes strapped in. They are a bit cumbersome, and I imagine the clothes get wrinkled."

Two headlines from the same issue of The New York Times came in from Omar Gharzeddine of New York. One read: "After a Delay, Text Gets Out On Internet" and the other: "Apple to Offer Custom Orders Over the Internet." He asks: "What's the difference?"

One moves, the other sits — that is, one deals with transmission, the other with storage. "Over refers to transmission," says Harry Newton, author of Newton's Telecom Dictionary. "The Internet is really a transport mechanism, just a method of getting from A to B. When you get where you are going — and for most people, this is the Web or another computer — you are on."

Here am I, with my column available on the Internet (at www.nytimes.com). There it sits, on. You can get it, or access it, over the Internet.

I'm doing my best to keep up. I don't say "w, w, w" anymore — just a breezy "Web." Saves eight syllables.

BOOKS

CLONE The Road to Dolly, and the Path Ahead

By Gina Kolata 276 pages. William Morrow. \$23.

Reviewed by Ed Regis

C LONING, before it happened, was another of those science-fiction hazyboos, a prospect whose horror quotient ranked just below that of re-animated corpses or a walking, talking Frankenstein monster. It was not supposed to be possible. The laws of nature, scientists said, precluded it.

In 1984 James McGrath and Davor Solter, two developmental biologists who ought to have known better, wrote in the pages of Science magazine: "The cloning of mammals, by simple nuclear transfer, is biologically impossible."

It wasn't, but the technical obstacles seemed considerable at the time, at least to them. As for the moral problems, they fell into a class by themselves and prompted a cadre of professional doomayers to cook up entire flotillas of worst-case scenarios: madmen getting hold of a lock of Madonna's hair and producing a hundred Madonna clones, for what conceivable reason God only knew.

Neither the scientific skeptics nor the trained Cassandra would ever have imagined that when the impossible was finally done, it would be accomplished not by mad scientists nor by academic biologists at a prestigious university but by a pair of backwoods livestock scientists whose goal was not to understand nature in the abstract but to establish a fundamentally new way of making drugs.

The fearsome clone, when it appeared, was not a Frankenstein monster

but a soft white lamb named Dolly that emerged from the womb, head and forelegs first, onto the straw bedding of an animal shed in Roslin, Scotland.

Gina Kolata's "Clone" is the story of all this. Clear, detailed and knowledgeable, it blazes through dark thickets of apocalyptic nonsense about the ultimate meaning of cloning, whether animal or human. And the tale Kolata weaves is almost unbearably suspenseful as scientists bent on manipulating nature for their own ends surmount each successive obstacle only to come up against another, even greater one.

By the time all the barriers fall away and the impossible has been accomplished, the reader experiences not merely the thrill of success but actual embarrassment, proud that we as a species have managed to perform this phenomenal feat of applied biology.

The paradox was that Ian Wilmut, Dolly's creator, was looking only for a better way to make pharmaceuticals. His sponsor, PPL Therapeutics Ltd., a biotechnology company with headquarters in Edinburgh, had shown that genetically engineered sheep could be made to manufacture certain drugs in their milk, substances that could be used to treat hemophilia, cystic fibrosis and other human diseases. Sheep with the properly altered genes would make such drugs automatically, right along with their ordinary milk.

If those sheep could be cloned, writes Kolata, a science reporter for The New York Times, then the company could simply milk the sheep, extract the drug from the milk and sell it. If they made both male and female sheep that carried the added gene, they could breed these sheep and have a self-perpetuating flock of living drug factories.

Cloning didn't sound all that hard. To

clone an animal, take an egg from the ovary of animal X and physically remove its genetic material. Take the genetic material from the cell of animal Y and insert it into X's empty egg. Finally, implant that egg into the womb of animal Z, cross your fingers and hope for the best.

If the process worked, the result would be an identical new copy of Y, a clone.

But several problems stood in the way of producing the first clone. One was that all the cells of an adult animal are differentiated: They are liver cells, skin cells, brain cells or whatever. Although it was a fundamental doctrine of molecular biology that every nucleated cell contained all the genetic information needed to make a new organism, it still wasn't obvious that as a practical matter you could take the nucleus of a given differentiated cell and generate from it a new copy of the original creature. Perhaps the nucleus had been altered in the process of differentiation, so that the necessary information, although still there in the DNA, was unusable.

BRAIN cells, after all, were brain cells forever; they never changed into liver or skin cells. So once a given cell had decided to be whatever it is, how could you make it decide to start dividing again and grow into a whole new animal?

Following the progress of these experts and understanding the science behind each step in their quest ultimately dispels the seeming horror of cloning. In the end, when Dolly finally emerges from the womb, the most famous little lamb in history, the event is as joyful and wondrous as any other live birth.

New York Times Service

Figures as of close
of trading Friday, Jan. 9

Figures as of close		of trading Friday, Jan. 9	
Symbol	Price	Change	Volume
IBM	125.00	+0.25	1000
GE	45.00	+0.10	500
AT&T	35.00	+0.15	800
West	25.00	+0.20	300
Am. Tel.	15.00	+0.10	200
Am. Elec.	10.00	+0.05	150
Am. Gas	8.00	+0.02	100
Am. Water	6.00	+0.01	50
Am. Sugar	4.00	+0.01	20
Am. Tobacco	3.00	+0.01	10
Am. Oil	2.00	+0.01	5
Am. Coal	1.50	+0.01	3
Am. Iron	1.00	+0.01	2
Am. Steel	0.80	+0.01	1
Am. Copper	0.60	+0.01	1
Am. Aluminum	0.50	+0.01	1
Am. Zinc	0.40	+0.01	1
Am. Lead	0.30	+0.01	1
Am. Nickel	0.20	+0.01	1
Am. Tin	0.10	+0.01	1
Am. Silver	0.05	+0.01	1
Am. Gold	0.01	+0.01	1
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Technology

Taiwan's Busir

CURRENCY RATE

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July 60

Technology and the Media Titan

Will the Giants Lose Their Audience in the Digital Age?

By Mark Landler
New York Times Service

NEW YORK — Early one morning in July, five of the media industry's most powerful executives gathered around a table before a select audience in a windowless conference room at Idaho's Sun Valley Lodge.

The atmosphere at the conference was aggressively casual — just five guys in chinos and polo shirts chatting about world domination.

It was a formidable lineup: Rupert Murdoch, head of News Corp.; Gerald Levin, chairman of Time Warner Inc.; David Geffen of SKG DreamWorks; Barry Diller, chief of USA Networks Inc.; and Edgar Bronfman Jr., head of Seagram Corp., which owns the MCA movie studio.

But this particular morning, the tycoons were about to be taken down a notch. Andrew Grove, chief executive of Intel Corp., moderated the discussion. Or more precisely, he commanded it. Mr. Grove's complaint was that the five panelists were Luddites. Digital technology and the Internet were transforming the worlds of media and entertainment, but these captains of industry were resisting the change.

"They don't get technology," Mr. Grove said in an interview that recalled his comments in the closed-door session, "and they think it poses a threat to their core business."

Maybe the media executives are right to be scared. It is unfashionable in this era of techno-intoxication to suggest that technology could result in anything but boundless growth. But for traditional media companies, the digital age poses genuine danger.

By splintering the mass market into a kaleidoscope of narrow niches, technology is threatening to deprive Time Warner Inc., Walt Disney Co., Viacom Inc. and their peers of the mass audiences on which they depend for advertising revenues.

Reed Hundt, former chairman of the Federal Communications Commission, said, "The fundamental premises of the media business have been eroding even as the big firms have engaged in high-wire deal-making."

In 1994, Mr. Levin of Time Warner trumpeted plans for the company's Orlando, Florida, cable system, which would offer movies on demand and an electronic shopping mall. "When I turn on my television," he rhapsodized the previous year, "I'll be able to switch to anything, anywhere." Similarly, John Malone, chairman of Tele-Communications Inc., the largest U.S. cable operator, promised to deliver viewers a 500-channel world.

Media chiefs believed their revenues would explode if they could offer

viewers an endlessly varied menu of programs. What few of them realized was that the technology for genuine interactivity was still years away — and that no economic model had been devised to support it.

In the meantime, by rushing from mass to niche programming, they were whittling away the economic underpinnings of their business. Mass media, of course, had been splintering ever since the emergence of cable television in the 1970s. But with the onset of digital technology and the Internet, the fragmentation is accelerating.

It is the Internet, in particular, that has media executives spooked. They did nothing to develop it and little to popularize it. And even now, though they all maintain sites on the World Wide Web — some of them, like the Disney-owned ESPN Sportzone, are extremely popular — it is not clear how genuinely the media chiefs embrace the Net.

While computer executives see the Internet as a vast new business opportunity, media executives worry about losing television viewers.

Another big problem for media executives is that they have been resoundingly unsuccessful in squeezing a profit out of the World Wide Web.

On cable, meanwhile, where digital technology is allowing the giants to edge closer to their vaunted 500-channel universe, the dial is filling up with safe choices rather than the diversity that big media companies seemed to promise. Cable subscribers in New York City, for example, can watch the news on at least five different cable channels, in addition to local broadcast stations. Most of these usually draw puny ratings. Other choices on the dial, such as American Movie Classics or Turner Classic Movies, have loyal viewers. But they exist not so much to slake a public thirst as to recycle material stored in vast film libraries.

"As you go from 35 channels to 75 channels," said Howard Stringer, the president of Sony Corp. of America, "you diminish the audience for everything. That makes it harder to generate the advertising revenue for quality programming."

The squeeze will become even more acute with the introduction of digital TV this summer, which will allow broadcasters to transmit six programs, instead of one, on a single channel, or else to transmit that single channel in a high-definition form. With the cost for the conversion to digital running into the billions, the networks are wringing

their hands about how to use the technology. They worry that they will not be able to squeeze another nickel out of their advertisers, let alone come up with anything original to broadcast.

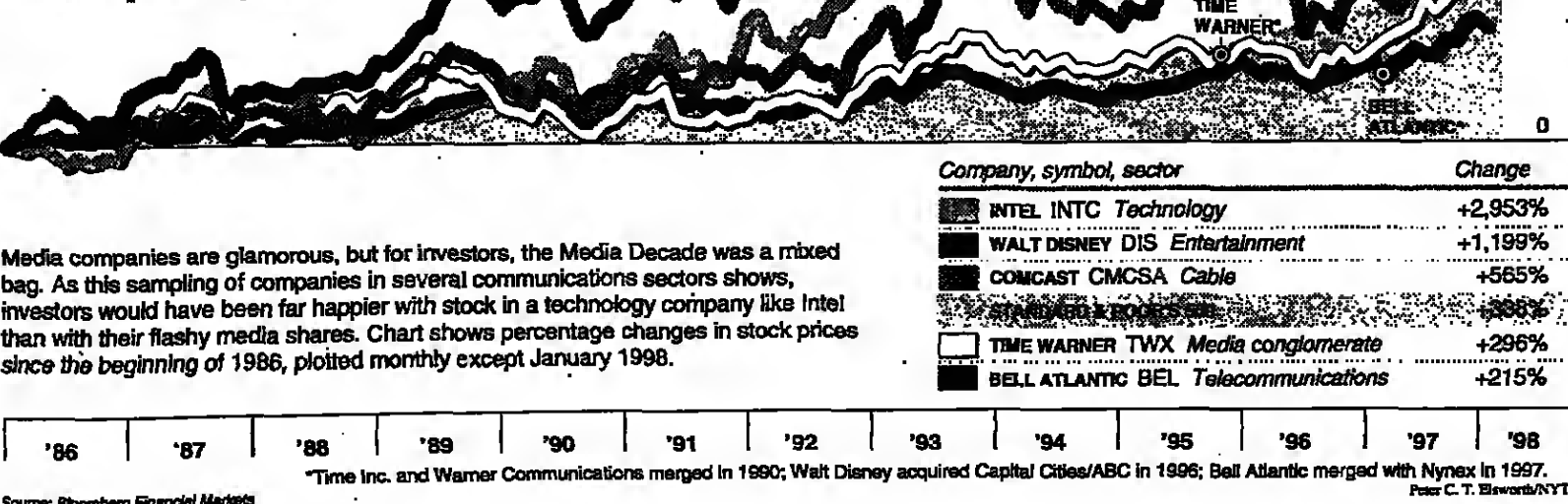
To hear Mr. Grove and Mr. Hundt talk, the media industry is about where the horse-and-buggy business was when Henry Ford cranked up his assembly line. Mr. Hundt said that people no longer wanted to consume news or entertainment passively. In the future, he predicted, all media would be interactive.

Media executives dismiss such doomsaying as naive. "These guys say that movies and TV shows are antique forms of entertainment," Mr. Diller said. "But to think that passive entertainment is going to end is absurd."

He has a point. From "Seinfeld" to "Titanic," television programs and films still have the power to draw mass audiences. Moreover, the media executives' old contentions about the power of their pipelines into the home are getting a new hearing.

Shares of Time Warner and TCI have rebounded in the last year, largely because of renewed hopes that cable networks can provide high-speed connections to the Internet. Microsoft and Intel may be frustrated with the media companies, but that has not stopped them from negotiating a bewildering array of deals with them.

Nor is it clear that Mr. Grove or Bill Gates are more qualified to divine the future than the media giants whom they seem to have trumped. The techies are riding high, but there is every reason to believe that they will eventually be hoist by their own petards. In the information age, breakthroughs inevitably become yesterday's news. As the technology chiefs fall prey to the seductions of the media, what is to stop their paradigm from collapsing around them?



Media companies are glamorous, but for investors, the Media Decade was a mixed bag. As this sampling of companies in several communications sectors shows, investors would have been far happier with stock in a technology company like Intel than with their flashy media shares. Chart shows percentage changes in stock prices since the beginning of 1986, plotted monthly except January 1998.

*Time Inc. and Warner Communications merged in 1990; Walt Disney acquired Capital Cities/ABC in 1996; Bell Atlantic merged with Nynex in 1997. Source: C.T. Bloomberg/NT

First Pacific to Sell Stake in Dutch Firm

Realignment Spurred by Asian Collapse

Bloomberg News

HONG KONG — First Pacific Co. agreed to sell its stake in Hagemeyer NV for about \$1.55 billion and plans to sell other businesses and buy new ones after the financial turmoil sweeping Asia hurt profits and sent its stock tumbling.

The Hong Kong-based company said it would sell its 40 percent of the Dutch trading company in American and European investors. It is also negotiating to sell other businesses for about \$450 million and plans to use the combined proceeds to reduce its debt and make new acquisitions in Asia, executives said.

The realignment is one of the biggest yet sparked by the collapse of Asian shares and currencies and the looming recession some of the region's stock markets now face. First Pacific's own stock fell 43 percent last week alone.

"What's been happening in the region has kept us on the run 24 hours a day," said the First Pacific managing director, Manuel Pangilinan. "But we are a strong company and not running to the graveyard."

First Pacific, whose businesses include banking, property and telecommunications, will use some of the \$2 billion in proceeds to buy Asian companies made cheap by the plunge in the region's currencies and stocks.

It is also injecting \$300 million into Philippine unit, Metro Pacific Corp., seeking new foreign partners for its redevelopment of an army base in Manila and negotiating to buy control of the Philippines' biggest brewery, San Miguel Corp., Mr. Pangilinan said.

First Pacific shares fell 78 percent in the past six months, the worst performance in Hong Kong's 33-company Hang Seng Index. Last week, shares in

the 16-year-old company fell to a four-and-a-half year low of 2.15 Hong Kong dollars (28 U.S. cents).

Weakening currencies cut the volume and value of First Pacific's sales. The earnings it is to report in March were cut by \$25 million in lost revenue and \$70 million in one-time foreign-exchange losses.

By selling Hagemeyer, First Pacific will trade its fastest-growing business for a chance to reduce its debt and sharpen its focus on Asia, analysts said.

Hagemeyer contributes a third of the company's profit. The car and appliance trader's sales are expected to grow an average of 15 percent a year for the next decade, while the rest of First Pacific's sales are expected to grow less than 10 percent, said Steven Thompson, head of research at Nikko Securities in Hong Kong.

Still, selling the Dutch unit will allow First Pacific to wipe \$1.1 billion off its own \$3.2 billion of total debt without spending a penny, by allowing it to stop consolidating the two company's accounts.

First Pacific also plans to use about \$550 million of the cash raised to cut its own debt, leaving it with only \$350 million outstanding in the form of convertible bonds.

Metro Pacific Stock Offering

The chairman of Metro Pacific Corp. said the company planned to sell 14 billion pesos (\$300 million) of stock to its shareholders to help shore up its finances, Bloomberg News reported from Hong Kong.

The Manila-based company, whose businesses include property, banking and packaging, plans to hold the sale by July, said Mr. Pangilinan, the company's chairman and managing director of its parent, First Pacific Co.

Yukos to Prospect for Oil With Bids for State Firms

Bloomberg News

CAMBRIDGE, Massachusetts — AO Yukos Holding, Russia's second-largest oil producer, plans to submit bids in the sale of state-owned oil companies, according to the company's deputy chairman, Vasilii Shakhnovsky.

Mr. Shakhnovsky also said Saturday that Yukos may form a joint venture with Amoco Corp. of the United States.

"We've been holding discussions with Amoco for quite some time, and it's possible we will form a partnership," Mr. Shakhnovsky said. Amoco has also been discussing a venture with Yukos to develop the Russian company's Priobskoye oil field in Siberia.

Yukos is one of several companies interested in making a bid for RAO Rosneft, the last major state-owned oil producer. The government also is planning to sell its interest in AO Tyumen Oil Co., the nation's sixth-largest oil producer.

Mr. Shakhnovsky, who gave a presentation at a U.S.-Russian investment symposium at Harvard University's John F. Kennedy School of Government on Saturday, did not say whether Yukos intended to make a bid for Rosneft, Tyumen or both.

Separately, Alexander Zourabov, president of Russia's Menatep Bank, said it would not be a buyer at the next auction of Russian state-run enterprises,

though he said it might be involved in organizing financing. Mr. Zourabov also spoke at the symposium. Menatep holds a controlling interest in Yukos.

Other companies that are said to be considering making a bid to buy a controlling stake in Rosneft include RAO Gazprom, the Russian natural gas monopoly, and AO Lukoil Holding, the country's largest oil producer.

Under the plan, the government intends to sell more than 50 percent of Rosneft, whose assets have been valued at as much as \$2 billion and include AO Purneftegaz, in Siberia, and AO Sakhalinmorneftegaz, in the Russian Far East.

The Ministry of State Property is expected to announce the winner of the auction for Rosneft by April.

For U.S.-based oil companies, the oil reserves of the former Soviet Union are considered one of the industry's last untapped prizes.

That has been the case since Russia first opened the industry to foreign investment in 1987. Russia alone has 49 billion barrels of proven oil reserves, triple the size of the oil fields of the North Sea, according to estimates from British Petroleum PLC.

BP has a joint venture agreement with one of Russia's largest energy companies, AO Sidanco, and Royal Dutch/Shell Group recently made a direct investment in Gazprom.

Taiwan's Business Elite Looks for Investment Bargains in Battered Region

By Thomas Crampton
International Herald Tribune

TAIPEI — Taiwan's economic elite flew to the Philippines on Sunday to kick off a 10-day bargain hunt among

the devastated economies of Southeast Asia. In what might prove a disappointment to the hosts, many on the trip said they would be merely window shopping.

Having weathered the last year with a relatively small decline of its currency against the U.S. dollar, Taiwan Inc. has newfound wealth.

Cash-strapped companies in the Philippines, Thailand, Malaysia and Indonesia — where local currencies have declined by as much as 80 percent — are offering assets for a fraction of last year's cost. Taiwan's government has said it would encourage Southeast Asian investment with low-interest loans and technical assistance.

But members of the 60-member delegation said it was unlikely they would invest now. They cited a num-

ber of concerns, including prolonged economic turmoil, possible competitive devaluations and a fear of a backlash against Chinese in Southeast Asia.

"The situation is not stable enough yet for investment, so I am just going to study which Japanese and Korean subsidiaries could be sold to our members," said Li Chang, deputy secretary-general of the Taipei Computer Association.

Taiwan investments in Southeast Asia have not gone unscathed in the region's economic plunge. On Friday, local papers reported that currency volatility had

forced the Taiwan food giant President Enterprises to suspend 20 billion Taiwan dollars (\$587 million) worth of investments in the Philippines.

"One company boss told me that the last six months of crisis in Malaysia have wiped out five years of profits because of falling land and asset values," Mr. Li said.

"The Indonesian political situation is too unpredictable," said a member of the Taiwan delegation. "In all of these countries apart from Thailand there might be a reassertion of anti-Chinese sentiment. Our businessmen are always in its shadow."

Many may also hold off investment until it is clear whether China will devalue the yuan, said Thomas Yeh, director-general of the economic research at the government's Council for Economic Planning and Development.

"I have come on this trip to study this epic market slowdown to include it as a chapter in my book about world trade," said Chen Shui-shen, chairman of the Taiwan Bicycle Group. "As for investment, we must wait and see for a while, but I am going with a very open mind."

Taiwan is the world's biggest exporter of bicycles and Mr. Chen is chairman of the bicycle industry's association.

Mr. Yeh said, "We want to make Southeast Asia our major destination for investment now."

The departure of the high-profile business delegation to the Philippines follows months of concerted diplomatic effort by Taiwan to raise its standing as a friend to troubled Southeast Asia.

China, which considers Taiwan a renegade province, protested the initiative following a "vacation" by the Taiwanese vice president, Lien Chan, in Singapore. Mr. Lien was seen playing golf with senior officials and dined with Lee Kuan Yew, the senior minister.

Asian Debt to Raise Bond Defaults, Moody's Says

Bloomberg News

LONDON — Bond defaults will increase in 1998 as companies in Asia's emerging markets collapse under the weight of their debts, Moody's Investors Service Inc. said.

Nineteen of the 20 bond defaults by Asian borrowers since World War II were in 1997, a number that does not fully reflect "the extent or breadth of credit deterioration in Asian economies," Moody's reported Saturday, because most companies get their funds via bank loans or private financing.

Thailand, Indonesia and South Korea got financial bailouts from the International Monetary

Fund in 1997 totaling about \$100 billion as weakening currencies and mounting debts decimated their banking systems and cash reserves.

When a country's currency weakens, companies' debts rise as they need more money to pay their bills. Indonesian banks and companies now have about \$100 billion in foreign currency debt.

Nothing "a wave of firm closings and bankruptcy filings throughout Asia," Moody's said these failures, in turn, "brought some of the larger financial institutions in Korea, Thailand, Indonesia and Japan to the brink of insolvency."

While help from government and foreign leaders, as well as banks' willingness to roll over

loans, have so far prevented "a full-blown liquidity crisis," Moody's said, "the potential for future bond defaults in these countries has been established."

Moody's said that 61 companies worldwide defaulted on \$8.34 billion of long-term bonds in 1997, a 65 percent increase in dollar terms over 1996. Of the 1997 total, 41 defaults occurred in the second half of the year.

Bond sales worldwide in 1997 totaled \$243 billion, an increase of 19 percent from 1996. Of that amount, investment-grade issues accounted for \$155 billion, a 6 percent increase from the previous year.

CURRENCY RATES									
Jan. 9									
Cross Rates									
Australia	2.525	1.318	1.359	0.204	0.176	—	0.405	1.385	1.095
Canada	0.699	0.699	0.699	0.699	0.699	—	0.699	0.699	0.699
France	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
Germany	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
Italy	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
Japan	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
UK	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
US	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
Other Dollar Values									
Argentina	0.0099	0.0099	0.0099	0.0099	0.0099	—	0.0099	0.0099	0.0099
Brazil	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
Canada	0.699	0.699	0.699	0.699	0.699	—	0.699	0.699	0.699
France	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
Germany	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
Italy	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
Japan	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
UK	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366
US	1.366	1.366	1.366	1.366	1.366	—	1.366	1.366	1.366

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AMSTERDAM DEPOSITORY COMPANY N.V.
Amsterdam, 7 January 1998

Loss of Confidence in Asian Economies to Keep Dollar Aloft

By Carl Gewirtz
International Herald Tribune

PARIS — Widespread market rumors of impending coordinated intervention in Asian financial markets tamed the dollar's rally last week, but analysts expect the dollar to come roaring back as it becomes clear that intervention is unlikely soon.

"The massive capital flight out of Southeast Asia is an internal problem," said John Lipsky at Chase Manhattan Bank, "a loss of confidence in domestic policies" that intervention can't restore.

"And even if you think intervention might be appropriate to try to break the self-perpetuating nature of the crisis, of currency weakness worsening the capital

flight, which fuels further devaluation, it's simply not sensible until the yen-dollar rate has been stabilized," said Jim O'Neill at Goldman Sachs in London.

As Richard Koo at Nomura Research Institute in Tokyo observed, "half of the crisis in the Asian countries is due to the yen's weakness against the dollar."

For all the experts, getting things right in Tokyo — which means reviving domestic demand and spurring stronger economic growth — is critical to the process of stabilizing conditions in Southeast Asia. And all agree, Japanese policy still lacks the conviction needed to make intervention to bolster the yen a credible exercise.

Mr. Koo, an outspoken critic of Japanese government foot-dragging in

tackling domestic problems, is upbeat about the prospect of policy initiatives to get the economy moving and the yen appreciating.

Citing the government's plan to provide 30 trillion yen (\$226.4 billion) to repair the nation's financial system and about 3 trillion yen in tax cuts to increase consumer spending, Mr. Koo said that "the policy debate is moving forward."

But not fast enough. Dispute over how the 30 trillion yen will be used is delaying the implementation of the measure and the 3 trillion yen one-year tax cut is still woefully inadequate, he says, warning that conditions in Japan are likely to get worse before the government accepts the need for blanket dispersal of capital to financial insti-

tutions and more substantial and longer-lasting tax cuts.

It's a grim view of the immediate outlook, but Mr. Koo believes that the necessary changes will occur within the next few months and well before the elections for the upper house of the Diet in July. And when they come, the yen will rally significantly, he predicts.

Gerard Lyons at DKB International in London concurs with the overall picture. But in putting numbers on his forecast, Mr. Lyons sees the dollar, which ended last week at 132.15 yen, first rising to 140 yen before it begins to fall back.

To critics who say Japan cannot afford a strong yen yet, Mr. Koo observes that Japanese industry is competitive at the current rate and that the nation's

"real" trade surplus — adjusting for the 63 percent decline in the yen's value since early 1995 — "is already beyond the levels set in 1992-93" that caused so much trade friction with the United States.

The other wild card in this scenario is the Clinton administration's commitment to a strong dollar, a tool to dampen exports and overall growth so as to deter the Federal Reserve from raising interest rates and dampening the mood on Wall Street. But with the U.S. trade deficit expected to explode this year and growth forecast to slow, the commitment to a strong dollar may only last until that strength begins to hurt the United States, said Mark Cliffe at HSBC Markets in London.

SHORT COVER

Credit Suisse to Buy Asian BZW Units

LONDON (Bloomberg) — Credit Suisse First Boston will announce Monday that it has bought parts of Barclays PLC's Asian investment-banking business, BZW Asia Ltd., a spokeswoman for Credit Suisse said.

"I can confirm we will make an announcement Monday," said Bonnie Wu, spokeswoman for the bank in Hong Kong. She declined to give any details of the purchase.

After the sale, Barclays will be left with a trimmed-down investment-banking business, comprising mainly foreign-exchange and fixed-income units under the name Barclays Capital Group.

ASIA: IMF Aide Upbeat on Jakarta Talks

Continued from Page 1

Sir Leon Brittan, made it clear that the European Union wanted Jakarta take "very prompt" reform action.

He also pointedly refused to join criticism of the IMF, which has been accused by some Asian and Western economists of aggravating Asia's woes by forcing Indonesia, South Korea and Thailand into recession.

"I am not going to recommend changes to the IMF," Sir Leon said on Reuters Financial Television. "But I am certainly going to recommend to the countries concerned that very prompt action and very firm action be taken of a structural kind, which in many cases may go beyond the particular recommendations of the IMF."

President Bill Clinton intervened in the Indonesian crisis Friday, telling Mr. Suharto in a telephone call that Jakarta should comply with IMF reforms following signs that Jakarta was renegeing on some of them.

Mr. Clinton announced at the same time that he would send Mr. Summers, with State Department and National Security Council officials, to Asia for consultations.

Mr. Fischer, the IMF official, said the IMF's talks with the Indonesian government would continue at least until Thursday. The fund's managing director, Michel Camdessus, who is to hold talks in South Korea on Monday, is expected to join the negotiations in Jakarta on Wednesday.

Analysis said that the next few days will be the crucial for Indonesia's financial market as the government seeks to overcome a crisis of confidence in the leadership of Mr. Suharto.

Indonesia's best-known opposition leader, Megawati Sukarnoputri, announced Saturday that she would make a bid for the presidency and that Mr. Suharto, who is 76 and has been in poor health recently, should retire at the end

of his term in March.

In an unusually outspoken attack in a country where defaming the president is a criminal offense, she blamed the Suharto government for the financial turmoil.

"The tragic and incomprehensible plunge in the rupiah's value to the present unbearably dangerous level clearly," Mrs. Megawati said, "demonstrates the people's loss of confidence in the present leadership and government administration."

She added, "If the nation ends up having to bear this burden, then striped prison uniforms should be sewn for the economic criminals who have destroyed our nation and our economic future."

But even though Mrs. Megawati's attack followed other recent calls by critics for Mr. Suharto to step aside, analysts said that he was unlikely to do so.

In a sign that the worst of crisis may have passed, there was no immediate rush to buy food and essentials Sunday in Jakarta as there had been the previous three days.

Fearing hyperinflation after the rupiah's fall, panicky shoppers last week rushed supermarkets and shops to stock up on rice, milk, cooking oil and other essentials.

Antara reported Sunday that the government had increased short-term rice imports to 2 million tons from 1.5 million, and that controlled prices of rice and flour would not be raised.

In October, Indonesia was given a \$43 billion international loan package arranged by the IMF in exchange for agreement to apply painful reforms and austerity measures, including cuts in government spending, credit curbs, trade liberalization and improvements in financial regulation.

But an expansionary budget for 1998-99 presented by Mr. Suharto last week fueled investors' fears that Jakarta was renegeing on the deal.



Stanley Fischer, left, first deputy managing director of the International Monetary Fund, after an initial round of talks Sunday in Jakarta.

Stocks plunged more than 16 percent while the Indonesian rupiah plummeted to a record low of 11,000 to the dollar.

While it recovered in weekend trading to around 9,600, it was still worth about 65 percent less against the dollar than in July — prompting fears in the market of a default on Indonesia's foreign debts, which total more than \$130 billion.

Most of the debt is held by the private sector, and much of it is due to be repaid this year.

Mr. Suharto moved to counter international criticism of wasteful expenditure by announcing on Saturday the delay or review of 15 large infrastructure projects, including power plants, toll roads and an airport.

Relatives and other close associates of Mr. Suharto — who have been accused of trading on their political connections to amass fortunes during his years in power — are involved in most of the projects.

But State Secretary Mardiono told Antara that all the projects would "definitely be developed eventually."

■ D'Amato Urges 'Discipline'

Members of Congress have "very real reservations" about sending money to help Southeast Asia recover from its economic slump, the chairman of the Senate Banking Committee, Alfonse D'Amato of New York, said Sunday, Bloomberg News reported.

It is crucial for the United States to make sure the nations of Southeast Asia are committed to "a discipline" of reforms, he said during an interview on CNN.

"It is the part as it relates to bailing out un disciplined private-sector corporations with taxpayers' money that raises concern, not only with myself, but with a number of my colleagues, who want us to hold hearings to look into this," Mr. D'Amato, a Republican, said.

Tobacco Firms Agree to Settle Texas Lawsuit

Bloomberg News

TEXARKANA, Texas — U.S. cigarette makers agreed to pay Texas and its attorneys an undisclosed amount to settle an \$8.6 billion lawsuit over sick smokers slated to begin this week, an official with the state attorney general's office said.

A settlement — which is expected to range from \$12 billion to \$15 billion, or at least 50 percent more than Texas is seeking to recoup for treating smokers — is expected to be announced this week, according to attorneys on both sides of the negotiations.

A federal judge in Texarkana, where jury selection was scheduled to begin Monday, has postponed the first phase of the trial until Wednesday to let both sides wrap up negotiations.

"There has never been any doubt in the industry's mind that it could settle Texas on the same terms that it settled Florida and Mississippi," said David Adelman, an analyst at Morgan Stanley, Dean Witter, Discover & Co.

Philip Morris Cos., RJR Nabisco Holdings Corp. and other tobacco companies have sought to settle suits in Texas and Minnesota this month to avoid hindering the \$368.5 billion national accord struck in June after months of talks between tobacco companies and states that had filed lawsuits.

The national agreement — which still needs congressional and White House approval — would end the state cases and class-action suits, limit the industry's exposure to damages awards and impose marketing and regulatory restrictions.

Tobacco companies have been racing to settle the state lawsuits before they go to trial to avert publicized attacks on the industry that might influence members of Congress to balk at backing an accord.

Hashimoto to Unveil Finance-Sector Plan

TOKYO (Bloomberg) — Prime Minister Ryutaro Hashimoto is expected to propose to Parliament on Monday a 30 trillion yen (\$226.4 billion) transfusion for Japan's banks and depositors.

The bailout is intended to revive a financial industry beset with bad loans, tumbling stock prices and sagging profits, and could affect other Asian countries.

Japan's neighbors are counting on help from Japan to help save them from a financial meltdown.

The parliamentary session that begins Monday "will present Hashimoto his greatest challenge as prime minister," said John Neuffer, research fellow at Mitsui Marine Research. "The economy is a mess, markets around the region are collapsing, the yen is at its lowest in six years and his polls are low."

Iran Lowers Forecast For Revenue From Oil

TEHRAN (AP) — Iran has lowered oil revenue projections for its next fiscal year, the official Islamic Republic News Agency reported Sunday, reflecting worries that international prices could continue their downward slide.

The agency quoted Mohammad Baqer Noubakht, head of Parliament's budget commission, as saying oil revenue projections had been adjusted to 28,509 billion rials (\$9.5 billion) in the budget bill for the fiscal year beginning March 21. He said the figure was 7.5 percent lower than an earlier estimate.

Oil prices in the budget bill were envisaged at \$17.50 a barrel. On Friday, February crude oil futures on the New York Mercantile Exchange hit a 29-month low of \$16.60 a barrel.

Investors Take a Fresh Look at Bonds

By Tom Petrucci
Los Angeles Times

A lot of people who never thought they would look at a bond, much less buy one, suddenly have had a change of heart.

With long-term bond yields at 20-year lows this past week — while stocks are struggling — bonds have become the asset of the moment on Wall Street.

Byraining the specter of deflation in a speech on Jan. 3, Alan Greenspan, chairman of the Federal Reserve Board, just cranked up the wattage on the spotlight that has been shining on the bond market for the last three months.

It would be great if the best financial advice today could simply be: sell stocks, buy bonds. Unfortunately, for many investors the issue is far more complicated.

Should you buy bonds? Here's a basic primer on how to decide:

• First question: Why do you think you need bonds? Are you anxious to lock in current yields because you need income to live off of, and fear that

INVESTING

interest rates could drop a lot more in coming years? Or are you just eager to have a "buffer" against a potentially sharp drop in the stock market? Or is your interest more speculative: Are you looking to make a short-term killing, should bond yields continue to decline, thus boosting bonds' principal value?

The type of bond investment you buy may vary greatly depending on how you answer the "why" question.

An investor who needs income, for

example, may want to invest in a "laddered" bond portfolio. That involves buying individual bonds (such as U.S. Treasury issues) maturing in stepped fashion — say, in two years, in five years and in seven years. The idea: You lock in yields, but ensure that some of your money is coming back to you in the not-too-distant future.

By contrast, an investor who is merely looking to make a fast buck if bonds continue to rally may want to buy long-term, zero-coupon Treasury bonds — which effectively pay all of your return at maturity and thus are the most aggressive way to bet on interest rate trends.

• Second question: What are your investment return expectations? Stocks generate a higher rate of return over the long run than bonds.

Why is that so? Because stocks, which can lose 50 percent or more of their value in bad times, are inherently riskier than bonds, which tend to be far more stable thanks to their interest component.

Thus, you should be rewarded for taking the extra risk in stocks over time.

Since 1925, U.S. stocks' average annual total return (price gains plus dividends) has been about 11 percent. In that same period the average annual total return from long-term Treasury bonds has been about 5.3 percent, or roughly half of stocks' returns.

Over the last five years, however, stocks' performance has been far above the historical norm: The average stock mutual fund has returned three times as much as the average bond fund (121 percent versus 40 percent).

Investors might infer from that huge gap that bonds have some catching up to do — which could happen if stocks' returns fall while bonds' returns simply match their historical norm.

But in the long run, if you are still interested more in capital appreciation than capital preservation, you do not want to be out of the stock market.

If what you want is a temporary hedge against falling stock prices, consider money-market accounts rather than bonds. The average money-market mutual fund now yields about 5.3 percent. The yield on a five-year Treasury note is 5.41 percent. So you are not being paid much more today to assume the risk of locking up your money for five years, versus keeping it in a safe short-term account.

If you shift money to bonds or bond mutual funds to hedge against stocks, you may have transaction costs to get in, and then to get out. Plus, if interest rates surprise everybody and rise instead of falling in the months ahead, your bond bet may lose you money.

If all you really want is a parking place for cash until stock prices get cheaper, or other investment opportunities arise, money-market funds or other short-term accounts may be your best option.

If you are making a portfolio shift to bonds for the long-term, try to do it in a tax-sheltered account. If possible, make that shift in your tax-sheltered retirement accounts.

MICROSOFT: Set-Top Windows or Java?

Continued from Page 1

Today's one-way channels will be complemented by the equivalent of personal computer programs that have been converted for the television screen, programs such as bill-paying applications, e-mail or computer games.

Mr. Malone sees this as nirvana for the cable-TV industry, which has consistently promised new services, such as home banking, that it has proved unable to deliver. He wants his company to reap a portion of each transaction that would be made by the new set-top boxes, which TCI plans to introduce in 1999.

In his vision of the future, each of these new interactive channels will be written in computer programming languages that will be linked either to Microsoft's Windows 95 operating system or in Sun's Java programming language.

TCI is the second-largest U.S. cable operator, with its boxes in 12 million of the 65 million cable-equipped homes. The biggest, Time-Warner Inc., is still in negotiations with a variety of potential suppliers of software and hardware.

Microsoft last year invested \$1 billion in another cable company, Comcast Corp. Brian Roberts, the president of Comcast, said, "The industry has been searching for a new revenue stream for a number of years, and the prospect of this convergence is very promising."

Mr. Malone is using Sun's Java as an additional layer of software to offer more choices to software developers and an alternative to Microsoft.

The advantage of Java is that it potentially permits software developers to write one program that will run on many different types of hardware. That could be important if there are many different types of competing hardware in the boxes distributed by cable companies.

But on Saturday, Mr. Malone acknowledged that to run the Java alternative, it would be necessary to add additional memory chips to the set-top box. That, said industry executives,

could end up consigning Sun to the same role as the losing operating systems of the early days of the PC era.

People familiar with the cable agreement signed by Sun and TCI on Friday said that to avoid this, Sun's chairman, Scott McNealy, had agreed to pay TCI the additional costs to insure that there was room for the Java standards.

Several people familiar with the deal said it could amount to as much as \$10 to \$12 a machine. Executives at Sun declined to comment.

At the same time, Mr. Malone also said Saturday that TCI was continuing discussions with Microsoft on a possible \$1 billion investment to help build an interactive TV network more quickly.

One cable industry chief executive, who asked not to be named, said that the industry was badly in need of new sources of revenue and, at a practical level, it might be worth it to let Microsoft dominate if it can help add new revenue sources. "Cable has not had a big new product in years," he said. "We need the catalyst of Silicon Valley to move ahead."

Although the battle has now been joined, it is clearly not over. In addition to Microsoft and Sun, Oracle Corp., Intel Corp., IBM and AT&T Corp. are all still jostling for a place at the table — or inside the new digital set-top box.

Moreover, while Mr. Gates proposed a new computer-oriented digital television standard called HDTV in his Consumer Electronics Show speech Saturday, the nation's television broadcasters have still not picked a standard.

Then there is the largest unanswered question: Do television viewers care about any of this? The computer industry is placing a heavy bet that the nation's couch potatoes will be willing to open their wallets for these new services. But with many U.S. homes already paying \$25 or more a month for cable, there is still little proof that they will be willing to foot the bill for the much-hyped interactive television of the future.

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Jan. 9

Stocks Sales
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[illegible][illegible]

1000	1000	68	10	B	30.00	75	60	S	
1005	1005	69	10	B	30.00	75	60	S	
1010	1010	70	10	B	30.00	75	60	S	
1015	1015	71	10	B	30.00	75	60	S	
1020	1020	72	10	B	30.00	75	60	S	
1025	1025	73	10	B	30.00	75	60	S	
1030	1030	74	10	B	30.00	75	60	S	
1035	1035	75	10	B	30.00	75	60	S	
1040	1040	76	10	B	30.00	75	60	S	
1045	1045	77	10	B	30.00	75	60	S	
1050	1050	78	10	B	30.00	75	60	S	
1055	1055	79	10	B	30.00	75	60	S	
1100	1100	80	10	B	30.00	75	60	S	
1105	1105	81	10	B	30.00	75	60	S	
1110	1110	82	10	B	30.00	75	60	S	
1115	1115	83	10	B	30.00	75	60	S	
1120	1120	84	10	B	30.00	75	60	S	
1125	1125	85	10	B	30.00	75	60	S	
1130	1130	86	10	B	30.00	75	60	S	
1135	1135	87	10	B	30.00	75	60	S	
1140	1140	88	10	B	30.00	75	60	S	
1145	1145	89	10	B	30.00	75	60	S	
1150	1150	90	10	B	30.00	75	60	S	
1155	1155	91	10	B	30.00	75	60	S	
1200	1200	92	10	B	30.00	75	60	S	
1205	1205	93	10	B	30.00	75	60	S	
1210	1210	94	10	B	30.00	75	60	S	
1215	1215	95	10	B	30.00	75	60	S	
1220	1220	96	10	B	30.00	75	60	S	
1225	1225	97	10	B	30.00	75	60	S	
1230	1230	98	10	B	30.00	75	60	S	
1235	1235	99	10	B	30.00	75	60	S	
1240	1240	100	10	B	30.00	75	60	S	
1245	1245	101	10	B	30.00	75	60	S	
1250	1250	102	10	B	30.00	75	60	S	
1255	1255	103	10	B	30.00	75	60	S	
1300	1300	104	10	B	30.00	75	60	S	
1305	1305	105	10	B	30.00	75	60	S	
1310	1310	106	10	B	30.00	75	60	S	
1315	1315	107	10	B	30.00	75	60	S	
1320	1320	108	10	B	30.00	75	60	S	
1325	1325	109	10	B	30.00	75	60	S	
1330	1330	110	10	B	30.00	75	60	S	
1335	1335	111	10	B	30.00	75	60	S	
1340	1340	112	10	B	30.00	75	60	S	
1345	1345	113	10	B	30.00	75	60	S	
1350	1350	114	10	B	30.00	75	60	S	
1355	1355	115	10	B	30.00	75	60	S	
1400	1400	116	10	B	30.00	75	60	S	
1405	1405	117	10	B	30.00	75	60	S	
1410	1410	118	10	B	30.00	75	60	S	
1415	1415	119	10	B	30.00	75	60	S	
1420	1420	120	10	B	30.00	75	60	S	

Year	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
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[The page contains extremely faint, illegible markings and noise.]

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NAME	AGE	SEX	REL	DATE	TIME	PLACE	REMARKS
John Doe	35	M	H	10/15/78	14:30	Room 101	Admitted
Jane Doe	32	F	W	10/15/78	14:30	Room 101	Admitted
Bob Smith	45	M	H	10/15/78	14:30	Room 101	Admitted
Alice Smith	42	F	W	10/15/78	14:30	Room 101	Admitted
Charlie Brown	55	M	H	10/15/78	14:30	Room 101	Admitted
Patricia Brown	52	F	W	10/15/78	14:30	Room 101	Admitted
Frank White	60	M	H	10/15/78	14:30	Room 101	Admitted
Grace White	58	F	W	10/15/78	14:30	Room 101	Admitted
Henry Black	70	M	H	10/15/78	14:30	Room 101	Admitted
Irene Black	68	F	W	10/15/78	14:30	Room 101	Admitted
James Green	80	M	H	10/15/78	14:30	Room 101	Admitted
Karen Green	78	F	W	10/15/78	14:30	Room 101	Admitted
Leo Miller	90	M	H	10/15/78	14:30	Room 101	Admitted
Mary Miller	88	F	W	10/15/78	14:30	Room 101	Admitted
Nathan Davis	95	M	H	10/15/78	14:30	Room 101	Admitted
Olivia Davis	92	F	W	10/15/78	14:30	Room 101	Admitted
Peter Wilson	100	M	H	10/15/78	14:30	Room 101	Admitted
Quinn Wilson	98	F	W	10/15/78	14:30	Room 101	Admitted
Rachel Moore	105	F	W	10/15/78	14:30	Room 101	Admitted
Samuel Moore	102	M	H	10/15/78	14:30	Room 101	Admitted
Tina Taylor	110	F	W	10/15/78	14:30	Room 101	Admitted
Victor Taylor	108	M	H	10/15/78	14:30	Room 101	Admitted
Wendy Anderson	115	F	W	10/15/78	14:30	Room 101	Admitted
Xavier Anderson	112	M	H	10/15/78	14:30	Room 101	Admitted
Yvonne Jackson	120	F	W	10/15/78	14:30	Room 101	Admitted
Zachary Jackson	118	M	H	10/15/78	14:30	Room 101	Admitted



姓名	性别	年龄	籍贯	职业	住址	备注
王德胜	男	45	山东	工人	济南市	
李秀英	女	38	河北	教师	石家庄市	
张国强	男	52	河南	农民	郑州市	
刘小红	女	28	湖北	医生	武汉市	
陈为民	男	40	四川	干部	成都市	
赵子龙	男	35	广东	商人	广州市	
周大伟	男	48	浙江	工程师	杭州市	
吴小芳	女	32	安徽	护士	合肥市	
孙建刚	男	55	江西	教授	南昌市	
郑晓琳	女	25	福建	记者	福州市	
冯志远	男	42	湖南	作家	长沙市	
马小梅	女	30	广西	歌手	南宁市	
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陈为民	男	40	新疆	商人	乌鲁木齐市	
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吴小芳	女	32	辽宁	医生	沈阳市	
孙建刚	男	55	黑龙江	教授	哈尔滨市	
郑晓琳	女	25	山东	记者	济南市	
冯志远	男	42	河北	作家	石家庄市	
马小梅	女	30	河南	歌手	郑州市	
徐长林	男	50	湖北	律师	武汉市	
黄丽娟	女	35	四川	画家	成都市	
郭为民	男	45	广东	司机	广州市	
李国强	男	38	浙江	工程师	杭州市	
张小红	女	28	安徽	教师	合肥市	
陈为民	男	40	江西	商人	南昌市	
赵子龙	男	35	福建	牧民	福州市	
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赵子龙	男	35	四川	牧民	成都市	

[illegible][illegible]

Year	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100																																								
Population	1,000,000	1,050,000	1,100,000	1,150,000	1,200,000	1,250,000	1,300,000	1,350,000	1,400,000	1,450,000	1,500,000	1,550,000	1,600,000	1,650,000	1,700,000	1,750,000	1,800,000	1,850,000	1,900,000	1,950,000	2,000,000	2,050,000	2,100,000	2,150,000	2,200,000	2,250,000	2,300,000	2,350,000	2,400,000	2,450,000	2,500,000	2,550,000	2,600,000	2,650,000	2,700,000	2,750,000	2,800,000	2,850,000	2,900,000	2,950,000	3,000,000	3,050,000	3,100,000	3,150,000	3,200,000	3,250,000	3,300,000	3,350,000	3,400,000	3,450,000	3,500,000	3,550,000	3,600,000	3,650,000	3,700,000	3,750,000	3,800,000	3,850,000	3,900,000	3,950,000	4,000,000	4,050,000	4,100,000	4,150,000	4,200,000	4,250,000	4,300,000	4,350,000	4,400,000	4,450,000	4,500,000	4,550,000	4,600,000	4,650,000	4,700,000	4,750,000	4,800,000	4,850,000	4,900,000	4,950,000	5,000,000	5,050,000	5,100,000	5,150,000	5,200,000	5,250,000	5,300,000	5,350,000	5,400,000	5,450,000	5,500,000	5,550,000	5,600,000	5,650,000	5,700,000	5,750,000	5,800,000	5,850,000	5,900,000	5,950,000	6,000,000	6,050,000	6,100,000	6,150,000	6,200,000	6,250,000	6,300,000	6,350,000	6,400,000	6,450,000	6,500,000	6,550,000	6,600,000	6,650,000	6,700,000	6,750,000	6,800,000	6,850,000	6,900,000	6,950,000	7,000,000	7,050,000	7,100,000	7,150,000	7,200,000	7,250,000	7,300,000	7,350,000	7,400,000	7,450,000	7,500,000	7,550,000	7,600,000	7,650,000	7,700,000	7,750,000	7,800,000	7,850,000	7,900,000	7,950,000	8,000,000	8,050,000	8,100,000	8,150,000	8,200,000	8,250,000	8,300,000	8,350,000	8,400,000	8,450,000	8,500,000	8,550,000	8,600,000	8,650,000	8,700,000	8,750,000	8,800,000	8,850,000	8,900,000	8,950,000	9,000,000	9,050,000	9,100,000	9,150,000	9,200,000	9,250,000	9,300,000	9,350,000	9,400,000	9,450,000	9,500,000	9,550,000	9,600,000	9,650,000	9,700,000	9,750,000	9,800,000	9,850,000	9,900,000	9,950,000	10,000,000

Confirmed on Page

Continued on Page 15



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SPORTS

New Edge for Athletes: Indoor Mountaintops

Debate Over Nitrogen-Rich Training Rooms

By Matthew E. Mamell
New York Times Service

JYVASKYLA, Finland — Tourists can't book Rooms 156 through 160 at the Hotel Rantasipi Laajavuori.

Few would, even if they could. Why would anyone want to stay in an airtight room suffused with enough nitrogen to duplicate the rarefied air of a mountaintop? The answer involves some of the world's top endurance athletes, whose use of "altitude housing" is the latest technological move in a cat-and-mouse game of sports science, biological manipulation and regulation of techniques that enhance athletic performance.

When Samppa Lajunen, the 1997 Nordic combined World Cup champion, checks into an altitude room, his behavior is quite ordinary: dining in the hotel's restaurant, surfing the television and getting lots of rest.

But the 19-year-old Finn is up to something special. Along with other elite lodgers, including biathletes, cross-country skiers, rowers and long-distance runners, he is gaining the same aerobic advantage he would from a visit to the Alps, raising his red-blood-cell count and increasing his blood's capacity for carrying oxygen to his muscles.

When these athletes follow a stay in an altitude room with a training session near sea level, they are using a controversial conditioning program called living high and training low. The technique has raised questions of health and fairness for competitors and for administrators charged with ensuring a level playing field.

For one thing, altitude housing is available in only a few northern European countries. More significant, a three-week stay in altitude housing provides the same boost to red-blood-cell counts as two banned performance-enhancing practices: blood doping and injecting erythropoietin, or EPO, a genetically engineered copy of a hormone produced in the kidney that regulates the production of red blood cells.

EPO was created to stimulate the production of red blood cells in people with kidney failure, but it can also be used to increase the oxygen capacity of endurance athletes.

So can blood doping, which involves the removal of blood that is then restored to the body just before competition to enhance the circulation of oxygen to the muscles.

In 1989, recalled Heikki Rusko, a developer of altitude housing, "a Finnish ski coach for the Italian national team and the Norwegian rowing coach told me that they felt the athletes who were doing the best most likely had gotten blood transfusions."

Blood doping was made illegal after word leaked out that seven U.S. cyclists had engaged in the practice at the 1984 Los Angeles Olympics. That did not stop it, but athletes looking for an edge began turning to EPO, for which there are no approved tests.

There is also no lack of risk. Improper use of EPO can lead to excessive thickening of the blood and can produce clots, strokes or heart failure, especially in hot weather. There have been suspicions that EPO was a factor in the deaths of some 20 bicycle racers, all under 35, since the late 1980s.

The Finns, concerned about doping, first conducted tests to measure the red-blood-cell and hemoglobin values of competitors at their Nordic national championships in 1988. Rusko pressured the sport's ski federation to insist that the sport's world governing body introduce the examinations too. That happened for the first time at the world championships held in Lahti, Finland, in 1989.

The tests were given at the 1994 Winter Olympics in Lillehammer, Norway, and will be given again at the 1998 Games in Nagano, Japan, where biathletes and cross-country skiers will undergo pre-race blood tests. Athletes with abnormally high values will not be allowed to compete.

The altitude house was developed in 1993 by Rusko, director of Jyväskylä's KIHU Research Institute for Olympic Sports, as a safe means of improving red-blood-cell levels, allowing athletes to compete on level turf with opponents using EPO.

"I wanted Finland's endurance athletes to have an acceptable way to increase their volume of red blood cells," Rusko said. "This way they would not need to use EPO to be competitive."

The idea for the altitude house had its roots in a sports-medicine conference Rusko attended in 1991, where he heard Tim Stray-Gundersen and Ben Levine, American researchers, discuss the value of living high and training low.

At the time, conventional wisdom called for training at elevation to increase red-cell count. While that approach led to fitness, Rusko said, he felt it was not the answer for most athletes. An exception, he said, would be someone born at altitude, such as Kenyan distance runners, who are acclimated to training at elevation and thrive under those conditions.

"The problem with training high," he said, "is that your training speeds are lower than at sea level. Next, your heart rate and blood-lactate concentration, at the same velocity, is higher. The stroke volume of your heart and cardiac output is smaller. Your muscle power decreases. All these factors combined mean that you have to train at lower velocity."

Convinced of the value of living high and training low, Rusko had to overcome a towering hurdle: Finland's flat topography. Drawing on the knowledge of a local gas-company engineer, he came up with his plan for an altitude room.

The components include a nitrogen generator, an air compressor, a mixing system and two independent control mechanisms. Nitrogen is combined with ambient air, and the compound is conducted to the virtually impermeable altitude room. For safety's sake, the controls are programmed to stifle the nitrogen should the oxygen concentration drop too far.

"Under normal conditions, we have 21 percent oxygen and 79 percent nitrogen," Rusko said. "In the altitude house, nitrogen is mixed into the air to reduce the oxygen to 15 percent. And that corresponds to the partial pressure of oxygen at 2,500 meters," or about 8,200 feet.

The elevation that would produce optimum conditioning remains unknown, Rusko said.

Still, his research proves that living at 2,500 meters does augment red-blood-cell levels. It avoids one danger of actually living at altitude: acute mountain sickness, and its headaches, parched throat, nausea and dizziness.

In 1993, the first altitude house, costing \$100,000, was erected at the sports institute in Vookatti, Finland. By 1995, altitude houses had sprung up in both Norway and Sweden. (Germany has one, too). A year later, the Hotel Rantasipi Laajavuori sported its five alpine quarters and, in 1997, the Rovaniemi Sports Institute housed the Finns' third facility.

AMONG the athletes using altitude houses is Bjorn Dahlbe of Norway, the defending World Cup champion in Nordic skiing, who holds a commanding lead in this year's World Cup standing.

While most Nordic athletes have greeted these developments with enthusiasm, a few, citing moral and health considerations, have not.

One prominent Finn who refused to use altitude housing is 28-year-old Valentin Koononen, the 1995 50-kilometer race-walk world champion.

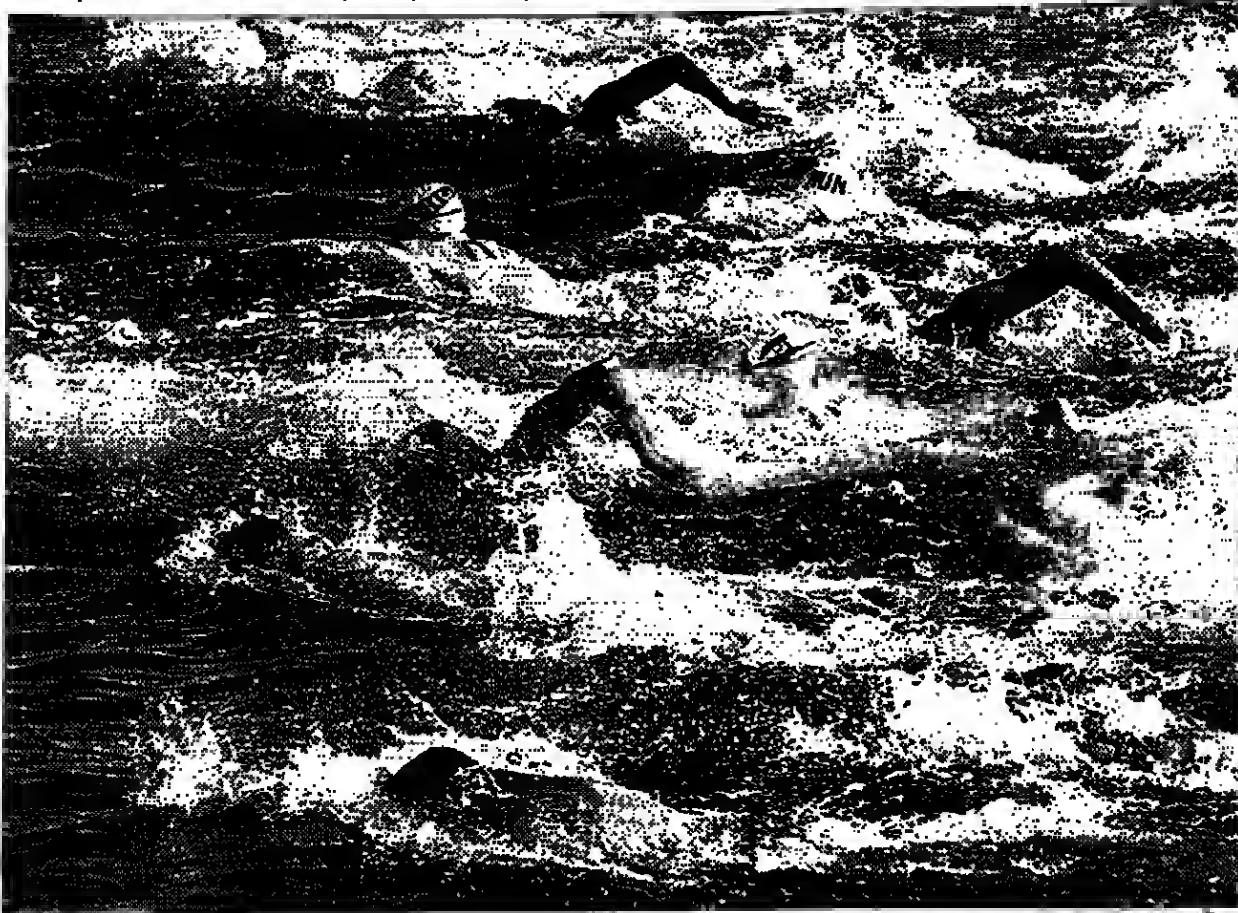
"My doctors told me there are viruses and bacteria in the air house," he said, "because it's like living in a plastic bag. The air house is not natural. It's a synthetic way to create more EPO in the body. If you say yes to the air house, you are saying yes to doping."

Echoing these sentiments is Dr. Timo Seppala, chairman of Finland's Anti-Doping Committee. "It's unethical for a coach to tell an athlete, 'Go live in an altitude house,' when there aren't many studies about the physical risks involved," he said. "Theoretically, it's possible to get thrombosis and pulmonary disease. Even die."

Dr. Seppala acknowledged, however, that anybody who climbs a mountain of 2,500 meters faces the same perils as athletes bunking in altitude dwellings.

Mika Myllyla, the 1997 50-kilometer cross-country skiing world champion, has used the altitude house. So have two of his teammates: Jari Isometsa, last year's world championships bronze medalist at 15 kilometers, and Harri Kirvesniemi, that event's winner at the 1989 worlds.

"Practically everyone in Finland's athletic community accepts the altitude house," Dr. Seppala said with a shrug. "But, of course, I will always talk about the ethical and health issues surrounding the apparatus. Then it's up to the athlete to make a decision."



Swimmers hitting the water at the start of the men's 25-kilometer open-water race at the world championships.

Swimming Awaits Doping Report

Compiled by Our Staff From Dispatches

PERTH, Australia — The doping case against the Chinese swimmer Yuan Yuan and her coach, Zhou Zhewen, was put on hold Sunday as officials awaited documents detailing the amount of growth hormone seized from Yuan's travel bags Thursday.

Gunnar Werner, secretary of FINA, the governing body of world swimming, said that all evidence had been heard in the case against the pair and that he expected they would soon leave Perth. Werner, who said earlier that he was upset at Australian Customs officials for telling the media about finding the drugs in Yuan's baggage, was at odds with the government department again Sunday.

He told a press conference that slow bureaucracy was to blame for the lack of swifter action on the case. He said that FINA had been forced to draft an official letter to the customs department Sunday demanding the report, and that it had not been forthcoming because Australians do not work on weekends.

But an Australian Customs spokes-

man, Chris Schofield, said that a FINA official, calling on behalf of its director, Cornel Marculescu, had been told twice Saturday that the matter had been passed on to the Australian Sports Commission.

Schofield said the laboratory that carried out the tests on the seized liquid had been authorized to send the report to the commission, which would deal directly with FINA. "The final report will take a few days because there is still some work to be done," Schofield said.

A commission spokesman said the report would be passed on to FINA as soon as possible. Werner said it was legally important to establish the exact level of growth hormones seized.

Zhou and Zhewen were summoned home from the World Swimming Championships after 13 vials of a banned human growth hormone were found packed in a thermos seized from Yuan's baggage. Customs said that the substance "is, or contains, growth hormone."

Chinese sports officials have said that Zhou and Yuan, who turned 22 on Sun-

day, would be sent home when the FINA doping inquiry was complete and would be punished for their "mistake."

Under FINA's rules, Yuan and Zhou face a mandatory four-year ban for "trafficking" a growth hormone, somatropin, a sophisticated muscle-building drug that is impossible to detect by the conventional urine tests still used in swimming.

Alexei Akatiev won his second open-water gold medal of the championships Sunday.

Akatiev, who won the men's five-kilometer race Wednesday, was first in the 25-kilometer swim. Tobie Smith of the United States won the women's 25-kilometer race.

"It was a very hard race with very difficult waves," said Akatiev. "I'm very tired but very happy and thrilled to have two gold medals."

David Meca of Spain, fifth in the five-kilometer race, was second in Sunday's event to claim the silver medal and Gabriel Chailou of Argentina was third.

(AP, Reuters)

Kwan's Perfect Presentation Dazzles

By Amy Shipley
Washington Post Service

PHILADELPHIA — The crowd was dropping hints, chanting "Six! Six!" but the judges didn't need any nudging. At the U.S. Figure Skating Championships, Michelle Kwan had just finished her long program, taking the ice thinking of clouds and angels. Somehow, her program seemed a combination of both, and perhaps a few other heavenly things.

As she clutched a pair of stuffed animals thrown onto the ice by fans and sat under the arm of her coach, Frank Carroll, her scores flashed across the scoreboard and the sellout crowd of 19,082 erupted again. Kwan received eight perfect 6.0s for presentation — breaking the U.S. national record for women she set Thursday in the short program with seven perfect scores.

And with that, she regained the national title she had lost last year and sealed her place on the 1998 U.S. Olympic team.

The rest of Saturday night went almost as sweetly as Kwan's program. Tara Lipinski recovered from her fall in the short program, rebounding from fourth place into second overall. And Nicole Bobek, second after the short program, finished third overall, skating a flawless — if safe — program that brought the crowd to its feet.

A fall by Tonia Kwiatkowski essentially pushed her out of Olympic-team contention, giving her a fourth-place overall finish.

Shortly after the performances, the U.S. Figure Skating Association's international committee made official what everyone suspected: Kwan, Lipinski and Bobek will represent the United States in the Olympics next month in Nagano, Japan.

These three women have won the last four U.S. titles. Kwan and Lipinski have

won the last two world championships. Bobek has been a world bronze medalist. Such credentials immediately raised the question of a possible medal sweep in Nagano.

"I think we can absolutely do one-two-three," Bobek, 20, said. "No problem. I think this is absolutely one of the strongest teams."

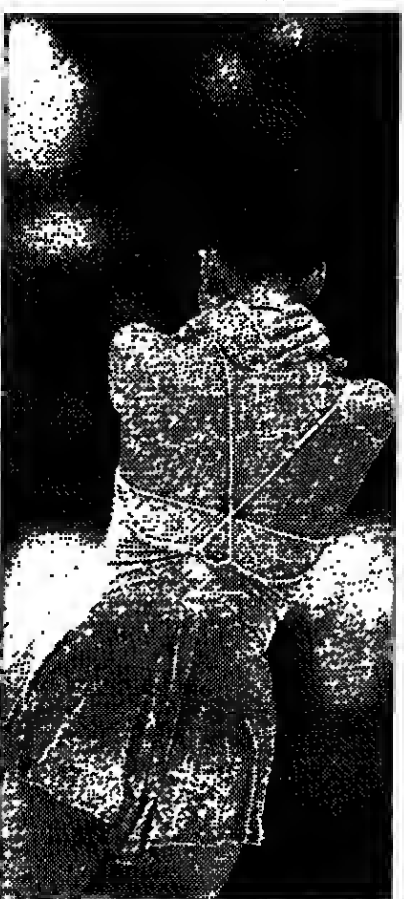
To regain the national title, Lipinski, 15, would have had to finish in first place, and Kwan would have had to drop to third or lower. But Lipinski didn't have such big goals. She said she was satisfied to have made amends for her fall the other night.

"It felt great, especially after having a so-so short program. To come back even stronger is very exciting," she said the fall was "a fluke, a silly mistake."

"I was disappointed, but coming in and skating this long program with the pressure of making the Olympic team, that really gave me a lot of confidence," Lipinski said.

Kwan, 17, known for her poise and grace, dazzled the crowd and the judges with seven triple jumps, including a couple of triple toe loops. That was the jump she cut out of her short program because it bothered the still-healing stress fracture in her left toe.

"I was just thinking 'Have fun,'" she said. "Every time I hear the music I think of angels and clouds and the feeling of flying. Nothing can stop me. I took one thing at a time and by the end of the program I just thought: 'I'm free. I'm gone. Cloud Nine, here I come.'"



Michelle Kwan preparing to take a bow after completing her program.

CROSSWORD

ACROSS

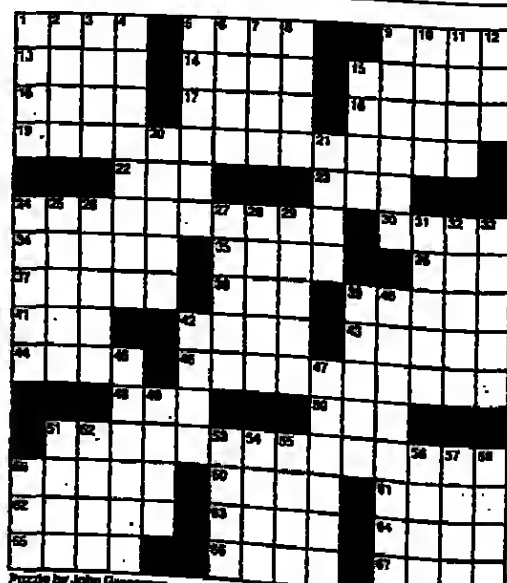
- Electrical overload protector
- Surrealist Salvador
- Fodder holder
- Where to see "E.R." or "Ellen"
- Archaeological site
- "Star Wars" director George
- Oklahoma Indian
- Partly plus
- Like dentists?
- Org. overseeing quadrilateral games
- High county north of Umeck
- Film unit
- Like tree surgeons?
- Advice-giving Landers
- German spa
- Like fences?
- "I was the one who could do"
- Lifeless
- "Whoopie!"
- Otherworldly
- Money drawer
- It's nothing to Agassi
- BLIND, e.g.
- Exclusive
- Bridge
- Novelist Anita
- Snidgers
- Deep mud
- Out-and-out
- cochere (carriage entrance)
- Occupied
- Steepleman Root
- Check for embezzlement, perhaps
- Author Calvino
- Daughter's opponent in '52 and '58
- Car security device
- Part of a cassette tape
- Rapscallion
- Day (November 2)
- Duck's home
- Timmy's dog
- What CD players don't require
- Nick at —
- Five dwellers
- Nobleman
- Beany sign
- Beethoven piano piece
- Capital site, with "the"
- Restaurant with waffles and such
- Scotts
- What happened next
- Blooming neckwear

Solution to Puzzle of Jan. 9

OLDASHMETRUSLAN
HEITHEITHHEITHHE
MISCALCULATIONS
YAK OH HICKS
ARK BAC
LABREA HANKIPOO
JULINI ABE NERO
MOOSE LUP SARAH
BORE TIL SPRIE
OPENARMS MAULED
MINK EMT
STABU ETC ADE
CHARLOTTERUSSES
WESTERNCLASSICS
TARETOTREBOTILE

DOWN

- Eat it
- us a son is given
- Put in an overhead bin, say
- Prime time times
- Dump water on
- Jomima, e.g.
- Art print: Abbr.
- About
- Evolution, to Chicago
- "Original Gangster" rapper
- Whip
- Sugar gufux



© New York Times/Edited by Will Shortz

BRIDGE

By Alan Truscott

IF an opponent shows a six-card suit, one never wishes to play in game in that suit. The first exception to that rule ever seen in this column, and perhaps anywhere, occurred on the diagrammed deal. Not only did South play in four hearts after East had made a weak jump overcall in that suit, but he emerged with an overtrick and prevented East from making a heart trick.

South was Mel Colchamiro who this year retained his title as Long Island Player of the Year, based on tournament performance. North was his wife, Janet, who was the runner-up. She opened one diamond and doubled for take-out when the two-heart over-

call was passed around to her. South passed for penalties but had to think again when West made an S.O.S. redouble and

NORTH
♠ A K 4 2
♥ 8
♦ A 5 3
♣ Q 10 8 6

EAST
♠ 7 5 3
♥ Q J 7 5 4 3 2
♦ 5
♣ A 5 4

WEST (M)
♠ Q J 9 8
♥ —
♦ K Q 10 4
♣ 9 7 3 2

SOUTH
♠ 10 6
♥ A K Q 10 8 7
♦ J 7 2
♣ K J

North and South were vulnerable.

The bidding:
West North East South
Pass 1 ♠ 2 ♠ Pass
Pass 2 ♠ Pass
Pass 2 ♠ Pass
Pass 2 ♠ Pass

West led the diamond king.

East retreated to two spades. That contract could have been doubled, but East would probably have escaped with a penalty of 500, or even 300. South preferred to try for a vulnerable game, and chose hearts in the teeth of East's known six-card suit.

The diamond king was led, and South won with dummy's ace, a decision that would have been wrong if East had held more than one diamond. He led the heart nine for a marked finesse and shifted to a low club. East put up the ace and led a spade, won with dummy's king.

South took the club king, the spade ace and the club queen, leaving the ending-shown at right.

When the club 10 was led from dummy, East ruffed and

South overruffed. He exited with the diamond jack and claimed the last four tricks for an overtrick. And if East had discarded in the diagrammed position, South would have had a pleasant choice between ruffing and discarding to make the same overtrick.

NORTH
♠ 4 2
♥ —
♦ 6 5 3
♣ 10

EAST
♠ 5
♥ Q J 7 5 4 3
♦ —
♣ —

WEST
♠ Q J
♥ —
♦ Q 10 9
♣ 9

SOUTH
♠ A K Q 10 8
♥ J
♦ —
♣ —

SPORTS

Piqued as Ever, Pippen Returns

His Foot Healed, Bulls' No. 2 Star Lends a Hand in Warriors' Defeat

CHICAGO — Two months ago, Scottie Pippen was so unhappy he pledged to never play again for the Chicago Bulls.

On Saturday night, his mind changed. His foot healed, Pippen rejoined the team he helped lead to five of the last seven NBA titles.

Pippen, who had missed the Bulls' first 35 games after pre-season foot surgery, started the game against the Golden State Warriors, played 31 minutes, scored 14 points and had four rebounds and five assists.

"I can't penalize my teammates by staying away from the game, so I got to get back on court and do what I do best," Pippen said after the Bulls' 87-82 victory.

Pippen made public his grievances against the team in November. He was upset because he felt he had not received the respect he deserved from management, namely the team's general manager, Jerry Krause, and because the Bulls had tried to trade him last summer. He is also, by today's NBA market, underpaid. He will make \$2.7 million this season, the final year of his contract.

Named one of the top 50 players in NBA history, he ranks 122d in salary in 1997-98.

He says he has no regrets about going public with his complaints. "This is the frustration I've been going through for the last couple of years and over the summer, having to deal with all the trade talk and things of that nature," he said. "I think a player of my caliber deserves better, so I had to stand up and speak out for myself."

Pippen said he did not know if he would be traded before next month's deadline, adding that he preferred now to finish the season with the Bulls.

But he said his relationships with management were still damaged.

Pippen was cheered loudly the first time he touched the ball, and then again when he hit his first shot — the first basket of the game.

Michael Jordan said he was glad to have his All-Star sidekick back. "It's

about time," Jordan said. "It was all his decision. He had time enough to think about it, how important it is to us. He made this decision without input from me."

Jordan bailed out the Bulls, scoring 17 of his 32 points in the fourth quarter on Saturday night. Dennis Rodman had 16 rebounds for the Bulls, who have won their last 14 home games to improve to 13-1 at the United Center.

Raptors 102, Cavaliers 90. Damon Stoudamire scored 34 points as Toronto beat reeling Cleveland. The Raptors

NBA ROUNDUP

held off a late rally by the host Cavs, who played sluggishly two nights after a demoralizing loss to Seattle.

Lloyd Daniels, who signed a 10-day contract with Toronto on Jan. 6, scored 21 points as the Raptors snapped a six-game losing streak and improved their record to 5-30.

Timberwolves 108, Nets 101. Tom Gugliotta scored 24 points, including six in the final four minutes, as Minnesota beat New Jersey.

Sam Mitchell added 18 points and Stephon Marbury had 17 for the Timberwolves. Keith Van Horn and Kerry Kittles each scored 22 points for the Nets, who had their four-game home winning streak snapped.

Magic 90, Celtics 82. Roy Seikaly had 19 points and 12 rebounds, and Orlando outscored visiting Boston 29-5 from the foul line.

The victory was only the third in the last 13 games for the Magic, who have struggled to find consistent scoring with Penny Hardaway, Nick Anderson and Derek Strong on the injured list. Boston, which never led, has lost four straight in a span of five days.

Antoine Walker led the Celtics with 21 points and 12 rebounds before being ejected with 1:09 remaining after hanging on the rim after a dunk and drawing his second technical foul.

Pacers 84, Mavericks 79. Reggie Miller's 3-point shot with 32.5 seconds left gave Indiana the lead for good, and the

Pacers rallied from a 19-point third-quarter deficit for a victory over the Mavericks in Dallas.

Miller scored 24 points, Rik Smits had 14 and Mark Jackson added 13 for the Pacers, who have won five of six. Shawn Bradley's 17 points and 14 rebounds led the Mavericks, who have lost 17 of 18.

Jazz 111, Rockets 84. In Houston, Karl Malone scored 24 points and Utah's coach, Jerry Sloan, who has the 600th NBA game as the Jazz beat the injury-depleted Rockets. Utah has won six straight and 10 of its last 12 games. Houston has lost eight of its last 11, including four straight at home.

Sloan improved his career record to 600-370. His victory total includes 506 with the Jazz and the rest with the Chicago Bulls from 1979 to 1982.

Houston played without four injured starters — Charles Barkley, Clyde Drexler, Hakeem Olajuwon and Matt Maloney.

Spurs 108, Kings 67. Tim Duncan scored 24 points, David Robinson added 24 and the host Spurs rebounded from a crushing loss in Phoenix with a rout of Sacramento.

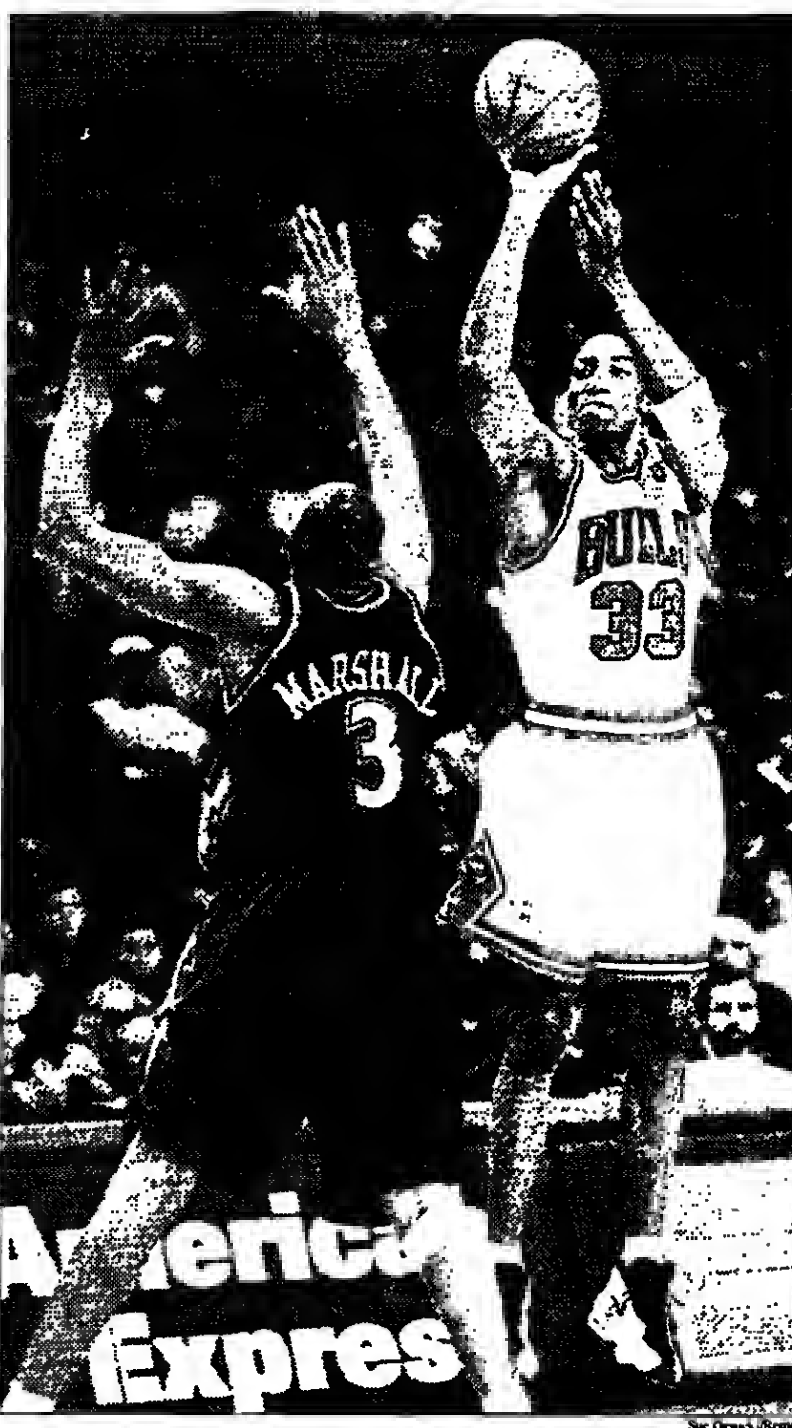
A night after their five-game winning streak was snapped in a 21-point loss to the Suns, the Spurs ended Sacramento's winning streak at four games.

The Kings scored just 40 points over the final three quarters after finishing the first period tied at 27-27.

Bucks 95, Trail Blazers 89. In Milwaukee, Ray Allen scored 23 points, and Armon Gilliam had four of his 21 in overtime as the Bucks defeated Portland.

Kenny Anderson scored a season-high 31 points and Rasheed Wallace had 23 points and 10 rebounds for Portland, but the Trail Blazers still extended their losing streak to four games.

Portland's coach, Mike Dunleavy, received scattered boos during pregame introductions. It was his first trip back to Milwaukee since resigning last April after five straight losing seasons — four as coach and one as general manager of the Bucks.



Scottie Pippen, back in action after missing 35 games with an injured foot, going up for a jump shot against the Warriors' Donyell Marshall.

Mickelson Leads, but Hot Duval Gives Chase

New York Times Service

CARLSBAD, California — What sounded improbable to David Duval just several months ago is now very possible. Entering the final round of the Mercedes Open, Duval was in position to become the first man since Ben Hogan in 1953 to win four consecutive starts on the PGA Tour.

Duval hit a six-under-par 66 he enjoyed on Saturday, when birdies came in bunches, mistakes were at a minimum and momentum was on his side.

Chasing history, he ended Saturday at 12 under par, one stroke behind Phil Mickelson. Four other players were within three strokes of the lead.

John Cook, the first-round leader, and Nick Price were tied at 11 under, while Gabriel Hjertqvist and Frank Nobilo were at 10 under.

Mickelson, who shot a two-under 68 Saturday, had a chance to take a two-stroke lead into Sunday, but he bogeyed the 18th hole.

The completion of his round ended a long day. Rain suspended Friday's second round with most of the 30-man field still on the course. Mickelson played 28 holes Saturday, and Duval 29, yet Mickelson showed how badly he wanted to win by heading straight for the driving range.

Tar Heels Hit Free Throws

The Associated Press

Antawn Jamison scored 26 points and No. 1 North Carolina made a season-high 35 free throws Saturday to beat Virginia, 81-73.

The Tar Heels (17-0, 4-0 Atlantic Coast Conference) won for

COLLEGE BASKETBALL

the 33d time in 34 games. The Cavaliers (8-7, 1-2) fell to 3-5 in Chapel Hill.

No. 2 Duke 75, No. 13 Florida St. 63. In Tallahassee, Roshawn McLeod scored 25 points as Duke (14-1, 4-0 Atlantic Coast Conference) handed the Seminoles (12-4, 1-3 ACC) a second straight loss.

San Diego St. 81, No. 21 Hawaii 72. In San Diego, San Diego State registered its first victory over a ranked team in 10 years.

Hawaii, in the AP's Top 25 for the first time since January 1974, had its six-game winning streak snapped. The Rainbows (11-2, 0-1 Western Athletic Conference) were playing their first game on the mainland this season.

Wyoming 55, No. 12 New Mexico 55. At Laramie, Wyoming, Gregg Sawyer scored 18 points and Jeron Roberts added 17 to lead Wyoming (11-2) past the Lobos (11-2).

Messier Joins Elite With 1,000th Assist

The Associated Press

Mark Messier became the sixth NHL player to record 1,000 career assists when he helped set up Alex Mogilny in the second period of a 2-2 tie between the Vancouver Canucks and Florida Panthers.

Messier's 23rd assist of the season came on a power play with seven seconds remaining in the second period Saturday night. With Robert Svehla serving a five-minute penalty for spearing, Messier fed a pass to Trevor Linden, who deflected the puck over to Mogilny.

Mogilny was playing his first game with the Canucks in almost a month after missing 10 games with a groin injury.

Messier joined three other active players in the 1,000-assist club, which is led by the all-time leader and Messier's former teammate, Wayne Gretzky, who has 1,873 assists.

Radek Dvorak tied the game for Florida with 8:35 to play in the third period

when he converted a pass from Ray Whitney for his sixth goal of the season.

Hurricanes 2, Islanders 1. Bates Battaglia's first NHL goal came at 1:59 of overtime as visiting Carolina beat the Islanders, handing New York its 10th consecutive loss.

Penguins 4, Devils 1. In Pittsburgh, Stu Barnes scored three consecutive goals

NHL ROUNDUP

in the second period for his first hat trick in more than six years as the Penguins beat New Jersey. Jaromir Jagr assisted on all three of Barnes's goals. The Penguins had lost five consecutive games to New Jersey and had been outscored 7-1 in this season's two losses.

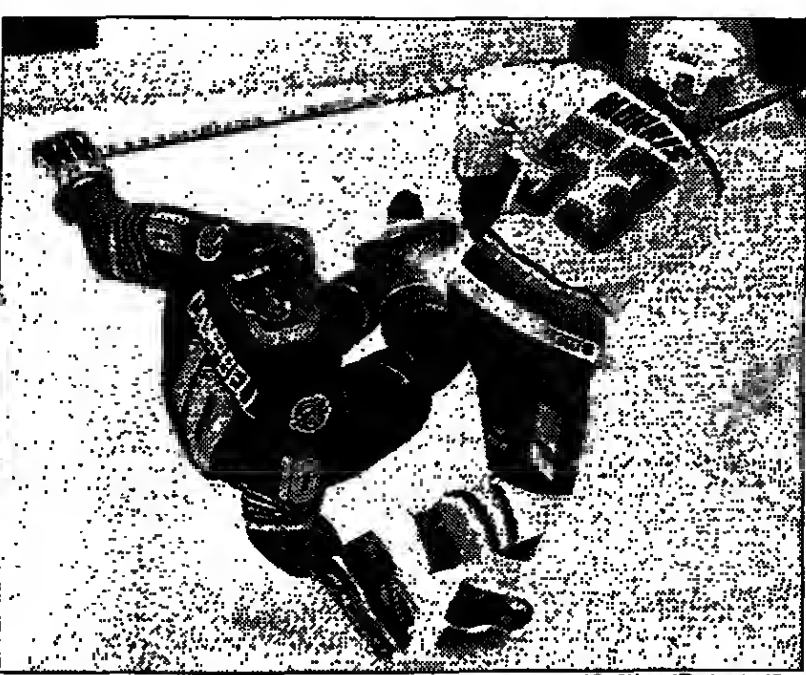
Blackhawks 4, Maple Leafs 3. Alexei Zhamnov's goal with 4:45 remaining lifted Chicago over host Toronto. Zhamnov was allowed to skate unchecked into the Toronto slot and his

wrist shot handcuffed Felix Potvin. Blues 5, Flames 1. In Calgary, Geoff Courtnall scored twice in the third period to lead the Blues to their fourth straight triumph.

Senators 3, Avalanche 3. In Denver, Sandis Ozolinsh and Rene Corbet scored 17 seconds apart in the third period as Colorado denied Ottawa its first road victory ever against the Avalanche.

Sharks 5, Sabres 2. Bernie Nicholls and John MacLean each had a goal and an assist as host San Jose defeated Buffalo. The Sharks ended a two-game losing streak as Mike Vernon turned back 17 shots. Michal Grosek and Randy Burridge scored for Buffalo.

Oilers 4, Kings 3. Bill Guerin scored during a four-minute power play and Kelly Buchberger connected during a five-minute advantage as visiting Edmonton beat Los Angeles Kings for its third straight victory. Tony Hrkac opened the scoring with a power-play goal.



The Blues' Jim Campbell, left, taking a spill after colliding with the Flames' Derek Morris in the first period of St. Louis's 5-1 victory.

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

Team	W	L	Pct	GB
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Atlanta	22	11	.667	0
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New York	19	16	.539	3 1/2
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New Jersey	18	17	.512	4 1/2
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Washington	19	18	.514	4
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Ottawa	16	17	.485	6 1/2
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Boston	16	17	.485	6 1/2
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Philadelphia	10	23	.303	12 1/2
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CENTRAL DIVISION

Chicago	22	11	.667	0
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Indiana	21	12	.636	1
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Charlotte	21	12	.636	1
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Cleveland	20	13	.606	2
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Orlando	16	18	.471	6
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Albany	10	24	.294	12 1/2
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Toronto	8	30	.267	19 1/2
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WESTERN CONFERENCE

PACIFIC DIVISION

Team	W	L	Pct	GB
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Utah	22	11	.667	0
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San Antonio	22	11	.667	0
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Houston	17	15	.529	5
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Minnesota	18	16	.529	5
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Vancouver	19	15	.559	4
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Dallas	16	17	.485	6
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Denver	2	21	.087	17 1/2
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MIDWEST DIVISION

Team	W	L	Pct	GB
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Seattle	22	11	.667	0
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Los Angeles	22	11	.667	0
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Phoenix	22	11	.667	0
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Portland	19	15	.559	4
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Sacramento	15	17	.471	6
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San Jose	0	26	.000	17 1/2
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Golden State	0	26	.000	17 1/2
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PACIFIC DIVISION

Team	W	L	Pct	GB
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Seattle	22	11	.667	0
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Los Angeles	22	11	.667	0
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Phoenix	22	11	.667	0
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Portland	19	15	.559	4
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Sacramento	15	17	.471	6
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San Jose	0	26	.000	17 1/2
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MAJOR COLLEGE SCORES

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

Team	W	L	Pct	GB
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Atlanta	22	11	.667	0
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New York	19	16	.539	3 1/2
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New Jersey	18	17	.512	4 1/2
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Philadelphia	10	23	.303	12 1/2
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CENTRAL DIVISION

Chicago	22	11	.667	0
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Indiana	21	12	.636	1
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Charlotte	21	12	.636	1
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Orlando	16	18	.471	6
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Albany	10	24	.294	12 1/2
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Toronto	8	30	.267	19 1/2
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WESTERN CONFERENCE

PACIFIC DIVISION

Team	W	L	Pct	GB
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Utah	22	11	.667	0
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San Antonio	22	11	.667	0
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Houston	17	15	.529	5
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Dallas	16	17	.485	6
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Denver	2	21	.087	17 1/2
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MIDWEST DIVISION

Team	W	L	Pct	GB
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Seattle	22	11	.667	0
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Los Angeles	22	11	.667	0
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Phoenix	22	11	.667	0
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Portland	19	15	.559	4
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Sacramento	15	17	.471	6
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San Jose	0	26	.000	17 1/2
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Golden State	0	26	.000	17 1/2
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PACIFIC DIVISION

Team	W	L	Pct	GB
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Seattle	22	11	.667	0
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Los Angeles	22	11	.667	0
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Phoenix	22	11	.667	0
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Portland	19	15	.559	4
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Sacramento	15	17	.471	6
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HOCKEY

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

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WORLD ROUNDUP

Was Tyson There?

RUGBY UNION Officials of the London Scottish club called on the Bath club to ban one of its players for ear-biting. The problem is that nobody seems to know who the guilty man is, except the player himself and, so far, he has not confessed.

Officials would not say exactly what happened, but Ashley Rowden, referee of the match Saturday between Bath, one of England's top clubs, and London Scottish, said the Scottish player Simon Fenn had part of his left ear lobe bitten off.

"In my experience as a referee, I have never experienced anything like it — the player was clearly missing some part of his ear lobe — and it looked quite bad," Rowden said. "There was a lot of blood."

Fenn, a 26-year-old Australian making his debut with London Scottish in the Tetley's Bitter Cup fourth-round match, was taken to a hospital and asked not to comment by team officials.

The London Scottish chief executive, Richard Yebury, said that Fenn underwent plastic surgery on Sunday. (AP, Reuters)

Conner Makes Protest

SAILING Toshiba and its skipper, Dennis Conner and Paul Standbridge, lodged a protest against EF Language after the end of the fourth leg of the Whitbread round-the-world race.

The protest — the first since the yachts left Southampton, England, in the fall — will be considered Tuesday by an international jury meeting at the Royal New Zealand Yacht Squadron.

Toshiba finished second in the leg, just two minutes behind Merit Cup.

Conner claims he was put at a disadvantage in the tightly contested leg because EF Language did not display navigation lights on the night of Jan. 8.

"Toshiba was at a disadvantage by not being able to keep visual contact with our close competition," said the team's protest.

EF Language, skippered by Paul Cayard, finished behind Toshiba in the leg but has a 39-point overall lead over Merit Cup.

Toshiba is in fifth place, 73 points behind EF Language. (AP, AFP, Reuters)

South Africa in Final

CRICKET South Africa clinched a berth in the World Series final later this month by beating Australia by five wickets in Brisbane on Sunday.

Australia batted first and made 235 runs in its 50 overs. South Africa reached the target with 23 overs to spare for the loss of five wickets.

Gary Kirsten anchored the innings with a fluent 89, including 11 fours.

In Dhaka, Bangladesh, India beat Pakistan by 18 runs in its Independence Cup match Sunday. India scored 245 runs in 37 overs and Pakistan reached 227 for nine wickets in reply.

In Kandy, Sri Lanka, Muthiah Muralitharan, a spin bowler, finished with 12 wickets in the match as Sri Lanka beat Zimbabwe by 10 wickets.

Zimbabwe battled to 338 all out on the final day, leaving Sri Lanka needing to score just 10 runs to win in its second innings. (Reuters)

Bandits on Dakar Route

RALLYING Bandits attacked vehicles in the Paris-Dakar race and stole one of them, according to organizers who canceled the 10th stage through Mali.

The Saturday stage of the Paris-Dakar race was to run from Taoudenni to Gao, over a distance of 918 kilometers (550 miles).

But Friday night, an unidentified group of about eight men attacked two competing as they approached the bivouac.

Organizers denied Saturday that the attacks had forced the suspension; they said the cancellation was called to regroup contestants spread out over the course. (AP, AFP)



Maurizio Rossi of Lecce, left, tackling Alen Boksic of Lazio during their league match in Rome on Sunday. Boksic scored twice as Lazio won, 4-0.

Inter Stays on Top, Downing Piacenza, 1-0

Paris-Saint Germain Beats Strasbourg, 2-1; Rangers Still on Track for Scottish Title

Compiled by Our Staff From Dispatches
Francesco Moriero scored after a superb solo run to give Inter Milan, the Italian Serie A leader, a 1-0 victory at Piacenza on Sunday.

Inter won for the 11th time in 15 league matches and remained four points ahead of second-place Juventus.

Moreiro scored in the 69th minute. He received the ball on the right wing and dribbled past three defenders.

EUROPEAN SOCCER ROUNDUP

before placing a precise shot in the far corner of the goal, beyond the dive of Matteo Sereni, the Piacenza goalkeeper.

Inter had suffered a humiliating 5-0 defeat to its neighbor, AC Milan, in the Italian cup quarterfinal during the week.

"We wanted to show that we had forgotten what happened the other night," said Luigi Simoni, the Inter coach.

Simoni said the game Sunday was a "real battle." Ronaldo, Inter's star striker, was guarded well by Pietro Vierchowd, 38, a former Italian national defender. And Piacenza frequently threatened the Inter goal.

Gianluca Pagliuca, the Inter goalkeeper, made a series of saves to thwart Davide Dionigi in the first-half and the home team threatened to equalize until a midfielder, Alessandro Mazzola, received a red card in the dying seconds.

Meanwhile, Juventus, the reigning champion, beat Vicenza by 2-0 on Sunday. It was Vicenza's fourth straight loss.

The goals came from Alessandro Del Piero's first-half penalty kick and Ciro Ferrara's 76th-minute header.

Parma, in fourth place, lost ground by being thrashed, 5-2, at Sampdoria. Giuseppe Signori scored twice for Sampdoria, his first goals for the club since joining from Lazio in December.

Parma's defense had conceded just 11 goals in its previous 14 league matches.

AC Milan and AS Roma drew, 0-0, at the San Siro in Milan, allowing Lazio to leap over both clubs into fifth place with a 4-0 victory against lowly Lecce at the Olympic stadium in Rome.

In Milan, a Roma striker, Francesco Totti, crashed a shot against the Milan crossbar in the closing moments.

Roberto Rambaudi and Diego Fuser broke a first-half deadlock before Alen Boksic scored two late goals. Suker has scored six goals in the last five games.

TENNIS ROUNDUP

town Sunday when he beat Jason Stoltenberg, 3-6, 6-3, 7-6, in 2 hours 9 minutes. Neither player was seeded.

Hewitt, who turns 17 next month, was the youngest ATP tournament winner since Michael Chang of the United States broke through in October 1988 with victory in San Francisco at the age of 16 years 7 months. Hewitt also entered the record books as the lowest-ranked player — at No. 550 — to claim an ATP title since the rankings were introduced in 1973.

He received \$45,000 for the victory. Playing in only his second senior tournament, Hewitt beat the former world No. 1 Andre Agassi in the semifinals Saturday.

Gabriel Batistuta, Serie A's top scorer, raised his season's total to 14 by scoring Fiorentina's second goal in an impressive 3-1 victory at Brescia.

Bologna moved away from the relegation zone with a 0-0 draw at Empoli, where Roberto Baggio was presented with a medal to commemorate his 300th Italian-league match.

SPAIN Athletic Bilbao moved up to fourth position in the first division on Sunday after a goal by Julien Guerrero ended the unbeaten home record of fifth-placed Espanyol.

On Saturday, Savio Bortolini began providing a return on the \$13.3 million investment that Real Madrid made in him in December with his first goal in a Real shirt.

The Brazilian midfielder put the Spanish champion ahead after being on the field for just six minutes in the match against its local rival, Atletico.

Another second-half substitute, Jose Mari Romero, scored four minutes from time to give the home team a 1-1 tie.

FRANCE Paris-Saint Germain remained in second place in the first division with a 2-1 victory over Strasbourg in Paris on Sunday. Eric Rabesandratana gave PSG the lead after 53 minutes and Marco Simone scored the second goal in the 72d minute. Pascal Nouma headed in a late goal for Strasbourg.

Metz beat Rennes, 1-0, on Saturday to retain top spot.

Bottom-of-the-table Cannes added some spice to the championship race by beating Monaco, the reigning champion, 1-0.

SCOTLAND Rangers beat Aberdeen, by 3-0 on Saturday to stay on course for its 10th successive Scottish League title.

Rangers raced into a two-goal lead with scores from Sergio Porrini in the ninth minute and Brian Laudrup in the 12th.

Aberdeen, facing relegation from the Premier Division for the first time, played the last 25 minutes with 10 men after the Bulgarian midfielder Ilan Kiriaikov received a red card.

Porrini's goal might have eased any guilt he might have been feeling for putting his teammate Marco Negri out of the game.

Negri, the top scorer in Europe this season with 30 goals, was forced to miss the match after being hit in the eye by a squash ball in a match with Porrini during the week.

Celtic lost ground on its old rival when it was held to a 1-1 draw at Motherwell, which took the lead with a Willie Falconer header after 55 minutes.

Paul Lambert, a recent signing from Borussia Dortmund, was the Celtic sa-

vior with a goal from 30 meters in the 61st minute.

Paul Gascoigne, the England international midfielder, apologized on Saturday for miming a flute-player during the so-called Old Firm match between Rangers and Celtic last week.

Gascoigne, who did not play against Aberdeen on Saturday, was fined by Rangers on Friday for his actions.

Gascoigne pretended to play an imaginary flute — a symbol of the Protestant marches favored by the Rangers fans and considered inflammatory by the mainly Roman Catholic Celtic fans — as he warmed up before coming on as a substitute.

Gascoigne said, "I would like to unreservedly apologize for my actions during the match at Celtic Park last week."

Gascoigne performed the same routine in 1995 shortly after joining Rangers. He apologized afterward, saying he had not realized it would cause offense to Catholics.

Gascoigne's gesture was not noticed by the referee in last week's match, which Celtic won by 2-0, but it was captured on television and led to widespread criticism.

In Saturday's letters page of The Times of London, Gascoigne's agent, Mel Stein, wrote that Celtic fans had been chanting constant taunts.

Sturridge Strikes Twice to Lift Derby

Reuters
LONDON — Dean Sturridge scored twice Sunday as Derby County beat Blackburn Rovers, 3-1, at Pride Park, Derby.

Blackburn could have regained second place but remained in third behind Chelsea and Manchester United, the leader. Derby moved up to sixth place.

Sturridge put the home team ahead in the 15th minute when he lashed a right-footed shot past Tim Flowers, the Blackburn goalkeeper.

Sturridge scored again with another right-footed shot four minutes before halftime.

Chris Sutton pulled a goal back for Blackburn with a fiercely-angled header in the 87th minute.

One minute later, Paulo Wanchope, Derby's Costa Rican striker, stabbed

in the ball from close range.

On Saturday, Manchester United beat injury-hit Tottenham Hotspur 2-0.

Both United goals were scored by Ryan Giggs, although the first did not come until just before halftime, breaking some stubborn resistance from Spurs, who had 10 first-team players missing because of injuries.

Spurs gave a debut to Nicola Berti, their new hire from Inter Milan, and although he had a promising start for the relegation-threatened side, the Spurs' attack and Juergen Klinsmann made little impression on United's defense.

Chelsea trailed Coventry, 1-0, for more than a half-hour of Saturday's league match before bouncing back to win 3-1.

Two goals from the substitute Mark Nicholls in the 65th and 70th minutes, and one from Roberto di Matteo in the

78th minute brought Chelsea victory in a match transformed after the Chelsea player-coach Rudi Voller put himself into the game.

Liverpool, in fourth place, beat Wimbledon 2-0 with two second-half goals from Jamie Redknapp.

It was Liverpool's fifth successive league victory.

Arsenal beat Leeds, managed by George Graham, the ex-Arsenal manager, 2-1.

All three goals were scored by Dutchmen. Marc Overmars struck for Arsenal after 60 minutes and 72 minutes and Jimmy Floyd Hasselbaink scored for Leeds in the 69th minute.

West Ham crushed last-place Barnsley, 6-0, at Upton Park. A young Frenchman, Samassi Abou, scored twice and assisted on all the other goals.

Broncos Top The Steelers By 24-21

Elway Leads Denver Into the Super Bowl

The Associated Press
PITTSBURGH — This time, John Elway didn't need a fourth-quarter comeback to get back to the Super Bowl. The Denver Broncos, one year after they couldn't get there even with the home-field advantage, took a 10-point lead on Elway's two touchdown passes in the final two minutes of the first half, then held off turnover-plagued Pittsburgh for a 24-21 victory Sunday in the AFC championship game.

Elway also led a tense drive in the final minutes to keep the ball away from the Steelers, who pulled within three

AFC CHAMPIONSHIP

points on Kordell Stewart's touchdown pass with 2:46 left for the only points of the second half.

After an eight-year wait, Elway, the Broncos' 37-year-old quarterback, has a fourth, and possibly last chance to win the Super Bowl.

The last two AFC championship games in Pittsburgh went down to the final play, just as Elway's first two victories in the AFC title game in the 1986 and 1987 seasons did. Nobody is better in winning games in the fourth quarter than Elway, who has led 42 such comebacks in a career that will almost certainly end in the Hall of Fame.

This time, Elway managed the clock and his offense to perfection late in the second quarter, masterfully driving the Broncos to two touchdowns in a span of 1:34 to put Denver up 24-14 at halftime. Both touchdown passes — one to full-back Howard Griffith, the other to Ed McCaffrey — resulted from pass interference penalties that totaled 56 yards.

Still, Stewart, who has mimicked Elway all season by leading five fourth-quarter comebacks of his own, nearly did it again. He shook off three interceptions, all of them critical, to hit Charles Johnson on a 14-yard scoring pass with 2:46 to play.

The score, Pittsburgh's first since Jerome Bettis's 1-yard run with 12:42 left in the second quarter, seemed to electrify the Steelers and their bench, and they held Denver to three yards on their next two plays.

But Elway found his tight end, Shannon Sharpe, over the middle for 18 yards and a first down with only 1:52 to play. Denver had its fifth AFC championship — and its second won on the road. The Broncos also won in 1986 in Cleveland.

Elway was 18-of-31 for 210 yards and two touchdowns and an interception, while Stewart was 18-of-36 for 201 yards and a TD.

Both of the big backs, Denver's Terrell Davis (26-139) and Pittsburgh's Jerome Bettis (23-105) went over 100 yards, but it was Elway who won it — and Stewart who couldn't win it for Pittsburgh, which lost the AFC championship game at home for the second time in four years. The Steelers were upset by San Diego, 17-13, in the 1994 season.

The Steelers had won eight straight at Three Rivers Stadium since an opening-game 37-7 loss to Dallas, and 22 of their last 24 there.

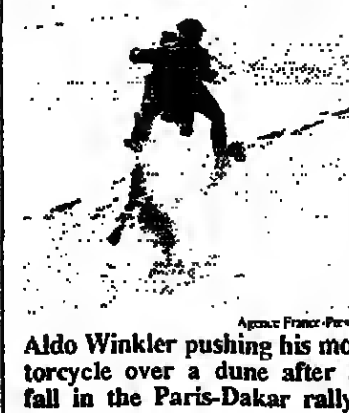
Stewart, trying to become the first quarterback to lead a team to the Super Bowl in his first full season at the position, didn't look unsettled by the big-game atmosphere.

Stewart answered Davis's 8-yard TD run with a 33-yard scoring run of his own, one strikingly similar to his 40-yard game-winning run against New England last week. He then led a 68-yard drive finished off by Bettis's 1-yard run, giving the Steelers a 14-7 lead.

But Stewart's biggest fault has been throwing into coverage, and this time it hurt him badly. He was intercepted three times and lost a fumble in a span of six possessions. Coupled with the interference calls, they were simply too much to overcome against the AFC's top-ranked defense.



Lleyton Hewitt enjoying victory.



Aldo Winkler pushing his motorcycle over a dune after a fall in the Paris-Dakar rally.